

**FBIS****DAILY REPORT  
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FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

## Delegation to Attend UNESCO Session

OW090912 Beijing XINHUA in English 0858 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- The Chinese Government will send Vice Foreign Minister Qian Qichen as the head of a Chinese delegation to attend the 42th session of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). A Foreign Ministry spokesman made the announcement at today's weekly news briefing here this afternoon. He said the meeting will be held in Bangkok, Thailand from April 22 to May 2.

## Refutes 'Threat Against India'

OW090936 Beijing XINHUA in English 0930 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- A Foreign Ministry spokesman today refuted the allegation about the so-called "China's threat against India" in the Indian Defense Ministry's Annual Report.

Commenting on reporters' question concerning the claim of the Indian Defense Ministry in its 1985-1986 Annual Report that China constituted one of the threats against the security of India and its allegation that China was involved in Pakistan's nuclear program, the spokesman said the so-called "China threat" was "absurd and not worth refuting."

China is now dedicated to its socialist modernizations at home and persistently pursues an independent foreign policy of peace in international affairs, he said. "We sincerely hope for and strive to seek harmony and friendship with India." As to the so-called China's involvement in Pakistan's nuclear program, he said that it was totally groundless. "People find it difficult to understand the real motives behind these allegations and the impact they might have on the present efforts to further improve the Sino-Indian relations," The spokesman said.

PRC DENIES REPORT ON ASIAN GAMES PARTICIPATION

OW090721 Tokyo KYODO in English 0712 GMT 9 Apr 86

[Text] Beijing, April 9 KYODO -- A spokesman for the All-China Sports Federation reiterated Wednesday that a decision regarding China's participation in the 20th Asian Games in Seoul this fall has not been reached yet. The official was commenting on a report carried Monday in the Hong Kong daily, ZHONG BAO, that a decision to participate in the games in Seoul had been reached in January.

The report also said that China had informed North Korea of its decision and had asked for its approval. A spokesman for China's Foreign Ministry, commenting on the same report, said that the question of China's participation in the Asian games was under the Sports Federation's control.

PRC ENDORSES G-24 ANALYSIS, SAYS LI PENG

OW090900 Beijing XINHUA in English 0702 GMT 9 Apr 86

[Text] Washington, April 8 (XINHUA) -- China endorses the comprehensive analysis and assessment of the Group of 24 (G-24) on debt crisis and fully supports its reasonable demands, deputy Chinese Finance Minister Li Peng said here today. Speaking at a G-24 ministerial meeting which opened here today, Li called on the industrial countries to "gear their efforts toward helping the Third World countries in order to tide them over the present period of difficulty."

G-24, a caucus of Asian, African and Latin American countries, met early last month and called for new debt initiatives including reduction in interest rates on existing loans to indebted nations. The demand is a step beyond what has been offered by U.S. Treasury Secretary James Baker in what is known as "the Baker initiative" that calls for 29 billion dollars in new loans to key debtor countries. According to Baker, nine billion dollars of the new loan will come from multilateral lending institutions such as the World Bank and the International Monetary Fund (IMF), and 20 billion will come from commercial banks. So far, not a single penny has emerged under the Baker plan.

On reforming the world's financial system, an issue that has occupied the attention of the developing countries for years but which has been stubbornly resisted by the industrial countries, Li Peng said the present instability of the international monetary and financial system have put restraints on the development of the world economy, as well as aggravated uncertainty. He declared that China supports the proposal by G-24 to establish a representative committee of ministers from developing and industrial countries to examine various proposals on the reform of the world monetary system. "In our opinion, it is of great importance to set up such a committee to make a comprehensive examination of these proposals so that preparations can be made for the convening of an international conference when the conditions are fully developed," he added. The Chinese minister also expressed his concern over the decline in both oil and non-oil commodity prices which is directly affecting the developing countries' debt-servicing capability, financing and economic development.

The G-24 started its discussions on April 6 and will end them tonight by issuing a communique outlining the Third World's opinion on a wide range of global economic issues. China participated in the discussions as a special invitee.

#### BANK OFFICIAL DISCUSSES PRC STAKE IN ADB

HK081422 Beijing JINGJI RIBAO in Chinese 4 Apr 86 p 4

["Official of the Foreign Affairs Bureau of the People's Bank of China Answers Questions by JINGJI RIBAO Reporter Relating to the Asian Development Bank"]

[Text] Question: Where does the capital of the Asian Development Bank (ADB) come from? How much does it total? How is it used?

Answer: The ADB'S capital is divided into two parts: ordinary capital and the special fund.

The main sources of ordinary capital are: 1) Capital stocks subscribed by member states which so far are valued at about \$18.5 billion, of which paid capital is \$2.2 billion; and 2) in order to supplement its capital, the ADB issues bonds in the international financial markets in the FRG, Japan, the Netherlands, Switzerland, and Britain, respectively. By the end of September 1985, the ADB loans not yet repaid totaled \$5 billion. In March this year, the ADB again issued 20 billion Japanese yen (approximately \$110 million) in bonds in Japan. Ordinary capital is primarily used to grant ordinary loans to the developing member states.

The main sources of the special funds (including the Asian Development Fund and the Technical Aid Fund) are: 1) Money voluntarily donated by member states; and 2) 10 percent of the subscribed capital is allocated to serve as a special fund.

By the end of September 1985, the Asian Development Fund had received \$5.8 billion which was to be used primarily to offer preferential loans to the developing member states with low incomes. The Technical Aid Fund had received \$80 million which was to be used primarily to offer free feasibility studies concerning aid projects.

Question: How much has China subscribed to and paid for capital stocks of the ADB?

Answer: China has subscribed to 114,000 capital stocks of the ADB, valued at around \$1.3 billion, calculated according to 10,000 special drawing rights per share. Of subscribed capital, paid capital stocks totaled 13,691 and deferred capital stocks, 100,309. Of the paid capital stocks subscribed by China, 43.46 percent were in convertible currency, valued at around \$68 million; and 56.54 percent were in renminbi, valued at around 300 million yuan. The paid capital stocks are to be paid in 4 years, an average of a fourth each year. The first installment has already been paid. The verified capital stocks of the ADB, including those subscribed by China, now total \$18.4 billion. The capital stocks subscribed by China account for 7 percent, ranking third among 47 member states.

#### FOREIGN CORRESPONDENTS' VISIT TO AFGHANISTAN

HK081023 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 4 Apr 86 p 6

["Jottings" by Ru Sheing: "How Can Caviar Gloss Over One's Blemishes?"]

[Text] Not long ago, the aggressor Soviet troop authorities generously financed a trip to Afghanistan for 20 correspondents resident in the Soviet Union. The Soviet authorities treated the correspondents to delicious caviar and roast mutton. The Soviet ambassador to Kabul also showed unusual enthusiasm for these foreign correspondents. When they arrived in Afghanistan, the ambassador smilingly greeted the correspondents: "How do you do? How do you do? All the bandits have been wiped out and the country has embarked on the road to peace. Please see for yourselves." The reason why Moscow had given so much thought to the matter was to try to use foreign correspondents to tell the people the world over that with the "selfless assistance" of the Soviet troops Afghanistan has become "a land of peace and happiness."

However, no sooner had the ambassador stopped speaking than a rocket exploded a few feet from the Intercontinental Hotel where the correspondents were staying. Not long after this, a MiG, made in the Soviet Union, was shot down near the Kabul customs area. Four Russians and eight Afghans in the plane all died.

The above breathtakingly satirical experience of some of the correspondents, was recently disclosed by the French weekly PROBLEME.

Originally, the Soviet authorities intended to gag the correspondents with caviar and make use of their reports to cover up the real situation by presenting a false picture of peace and prosperity. However, after a few days' visit, the correspondents drew conclusions entirely different from those the Soviet authorities wished them to have. What the correspondents saw was not a scene of peace and prosperity, nor a land governed in a kingly way. Instead, they saw the ruthless crimes of war committed by the Soviet Union. Therefore, in their reports, the correspondents wrote: "In Paktia Province alone, 8,000 villages have been leveled to the ground." "The Russians are no longer trying to seize the villages, but to thoroughly destroy them." "More than 10,000 Soviet troops were killed and 16,000 wounded." "This trip financed and organized by Moscow is merely a diplomatic offensive." Unexpectedly, no one eulogized the virtues and achievements of this unjust war launched by Moscow.

It was a wild goose chase trying to gloss over an inglorious face with paint.

RUSSIAN DEPUTY TO NPC SESSION INTERVIEWED

OW080750 Beijing in Russian to the USSR 1800 GMT 6 Apr 86

[Excerpts] Dear Soviet radio listeners: The Fourth Session of the Sixth NPC is presently under way in Beijing. Among the 2,900-odd people's deputies is a Russian from the Xinjiang Uygur Autonomous Region, Vera Sergeyevna Shulgina. Here is what she said in an interview with our correspondent:

[Begin Shulgina recording] Dear Soviet radio listeners: I am very pleased that I have the opportunity to say a few words to you through Beijing Radio. In 1983 I, a simple worker, was elected a Deputy to the Chinese NPC and I was overcome with great happiness and excitement. There are 56 nationalities living in China, and all enjoy equal rights. Although there are only 1,900-odd Russians in China, the party and the government treat us with the same attention and respect as the other nationalities. The best indication of this is fact that I was elected a people's deputy. I came to Beijing to discuss important government business with party and government leaders, and with deputies of other nationalities. This is not only an honor for me personally, but for all Russians living in China.

At this session, Premier Zhao Ziyang gave a report on the Seventh 5-Year Plan. The report summed up the great successes on all fronts of our country in the past 5 years, pointed out shortcomings and questions in the work, and proposed tasks and goals of the Seventh 5-Year Plan, as well as its course and political provisions. I fully support this report.

In 1938, when I was 8 years old, my whole family moved from Boli, that is from Khabarovsk, to Xinjiang. Now, I am in my fifties. For a time, I worked in a hospital and later as a cook in a nursery school in (Qiguchang). I am married and have a son. We all receive a wage, and we all live very well. We have a 5-room house. We have a colored television receiver, a radiola [magnitola] and a washing machine. We also wish to buy a refrigerator. My daughter is already married. She graduated from the Russian language faculty of Xinjiang University and is now working in the library of the Xinjiang University and in the library of the Xinjiang branch of the Chinese Academy of Sciences. This is my fourth trip to Beijing to attend Chinese NPC sessions.

I am convinced that the peoples of our country united as one and waging a common struggle will successfully fulfill the Seventh 5-Year Plan and make our life even better. In conclusion, I wish to take this opportunity to send greetings through Beijing Radio to my sister Tamara, my only relative in the Soviet Union, and to all her family. I wish them happiness and health and sincerely hope that they will visit us (?in Xinjiang). [end recording]

USSR FORMS NEW BUREAU ON SPACE TECHNOLOGY

OW080910 Beijing XINHUA in English 0715 GMT 8 Apr 86

[Text] Moscow, April 7 (XINHUA) -- The Soviet Union has established a new bureau to deal with its rapidly developing space industry, the Soviet official news agency TASS reported yesterday. Aleksandr Dunaeb, director of the Bureau for the Management of Space Technology, said many of the Soviet launched space apparatus are exploring the country's mineral deposits, supervising seed sowing and aiding in the protection of forests and in the effective use of water resources. He also said that space communications, navigation, meteorological satellites and orbital searching and rescuing were within the scope of space technology. He added the Soviet Union was going to build branch systems to gather and use space information, which will become indispensable planning data for many departments and research centers in the Soviet Union.

HEILONGJIANG, JAPANESE COMPANY TO COOPERATE

OW081844 Beijing XINHUA in English 1831 GMT 8 Apr 86

[Text] Harbin, April 8 (XINHUA) -- The Mitsui Bussan Co. Ltd. of Japan has entered all-round cooperation with China's Heilongjiang Province in its economic development, officials here said today. It signed two agreements with the provincial government yesterday, on economic and technological cooperation and the building of polyester plant, respectively. The first agreement covers cooperation in the development of Heilongjiang's petro-chemical industry, tourism and natural resources including coal. Under the second agreement, the two sides will jointly build the Daqing polyester plant through compension trade. The Japanese side will provide funds and equipment in 15 years for the plant, which is expected to produce 60,000 tons of polyester chips and 20,000 tons of polyester staple fiber a year.

LIAOWANG SEES POLITICAL 'STORMS' IN SOUTH KOREA

HK050401 Hong Kong LIAOWANG Overseas Edition in Chinese No 13, 31 Mar 86 pp 28-29

[Article by Gao Haorong: "Political Storms are Rising in South Korea"]

[Text] Recently, opposition parties and organizations, democratic people, and young students in South Korea have repeatedly set off waves of struggle aimed at opposing the present regime, pressing for changes in the existing "constitution," effecting "direct presidential elections" and realizing social democracy. In order to accomplish these demands, the five opposition parties and organizations, including the New Korea Democratic Party (NKDP), have united for the first time and set up a liaison organization called "the National Liaison Organization for the Promotion of Democracy."

These waves of struggle against the present regime started on 12 February when the NKDP and the opposition organization "Council for the Promotion of Democracy," headed by well-known democratic persons Kim Tae-chung and Kim Yong-sam, jointly launched a campaign to "collect 10 million signatures in favor of constitutional amendments." After its major victory in the 12th "National Assembly" election in February 1985, the NKDP has become the largest opposition party in South Korea, it has changed the situation where in the ruling Democratic Justice Party (DJP) had an absolute pre-dominance and made dictatorial decisions in the "National Assembly," following Chon Tu-hwan's assumption of the 'presidency' in 1981. The NKDP maintains that the existing "constitution" of October 1980 "defies the fundamental principles of democracy and the principle of separating administrative, executive, and judicial powers," and it therefore lacks legitimacy. They demanded that "indirect presidential election" be changed to "direct presidential election" and that social democracy be realized in South Korea. They declared their intention to launch "the campaign of collecting 10 million signatures in favor of constitutional amendments." The NKDP's aim is to reduce the 7-year-long tenure of office of the current president, hold "a real democratic election," and set up "a democratic government." This program and plan is supported by Kim Tae-chung and Kim Yong-Sam, both of whom are rather influential in South Korea, as well as many opposition organizations and young students. An opposition organization "The Federation of Mass Movement for Democratic Unification" headed by the Rev. Mun Ik-hwan, a democratic person, set up a committee to achieve a democratic constitution and hold a meeting of action for a democratic constitution, at the same time calling for setting up a democratic government. Some university students declared their intent to establish constitutional amendment boards at each university and joined the signature campaign.

Immediately after the start of the signature campaign, which had been brewing for a year, the authorities proclaimed it "illegal." In the first few days of the signature movement, police placed Yi Min-u president of the NKDP, and Kim Tae-chung and Kim Yong-sam repeatedly under house arrest, twice carried out sudden, forced searches of the general NKDP headquarters and the office of the Council for the Promotion of Democracy, confiscated documents and propaganda materials concerning the signature campaign, arrested many NKDP members who participated in the signature campaign, and carried out sudden searches of 129 [figure as published] universities. These atrocities by the authorities have stirred up strong resistance from the opposition forces. The NKDP stressed that the signature campaign was a peaceful movement, reflecting the wishes of the people for democracy, and that "it would carry on with the campaign even if all its 600,000 members were put in jail." The other opposition forces also expressed on many occasions their determination to carry on the signature campaign until 10 million signatures are collected.

Faced with all this, on 24 February Chon Tu-hwan hastily invited the representatives of the Democratic Justice Party, the New Democratic Party, and the Korean National Party to "have lunch together." Chon Tu-hwan once again declared that he would create "a precedent of peaceful transfer of state power" in South Korea, claiming that a constitutional research committee responsible to the "president" and the "national assembly" could be set up to study the existing "constitution." However, he insisted that the issue of "constitutional amendments" would not be discussed until 1989.

Chon Tu-hwan's "consolation" to the opposition parties did not achieve the hoped-for results. Yi Min-u said his party "had decided not to accept" Chon Tu-hwan's proposal. Kim Tae-chung and Kim Yong-sam pointed out that Chon Tu-hwan's proposal was "a political scheme" with no discussion value. In March the NKDP published the namelist of nearly 6,000 signers and made known its schedule to amend the "constitution" this autumn and conduct an "indirect presidential election" next autumn. It also announced that the NKDP would refuse to take part in the next "presidential election" if it were held in accordance with the existing "constitution."

With a view to further promoting the signature campaign, on 11 March the NKDP held a rally, proposing to fight for democracy and "overthrow the military dictatorship by conducting a direct presidential election." After the rally, Yi Min-u and Kim Yong-sam led the participants in a demonstration. According to some foreign observers in Seoul, "this was the biggest political demonstration held since Chon Tu-hwan came to power."

Meanwhile, persons of various circles and students were actively supporting and taking part in the signature campaign. Not long ago, ignoring the threat of a possible 7-year-long imprisonment by the authorities, some 300 persons from religious, legal, and journalist circles signed the namelist in favor of "constitutional amendments." On 14 March, the Christian Council issued a statement saying that the democratic process in South Korea had been delayed for 40 years, that "we will not wait any more" and that demands for "constitutional amendments" were an inviolable right of the Korean people.

Since the current academic term began on 3 March, young students have repeatedly held "anti-government" rallies and demonstrations. In the last few days, several thousand students from Seoul University, Korea University, Yonsei University, and Sokang University have held a large rally and demonstration, demanding democracy and a "direct presidential election." It seems that in the coming "spring struggle" of the young students, they will work in concert with the opposition forces and set off waves of anti-government struggles on an ever large scale.

South Korea has been under dictatorial rule for a long time. After former "president" Pak Chong-hui was assassinated, with the military as his backing, Chon Tu-hwan came to power by wantonly purging the opposition and putting down the people's struggle for democracy. In May 1980, he bloodily suppressed the Kwangju people's uprising, slaughtered many demonstrators, and arrested and sentenced Kim Tae-chung to death. Under world pressure, he later changed Kim's sentence to 20 years of imprisonment, banishing him to the United States. All these actions by him have stirred up indignation on the part of the opposition and students. During his 5 years in power, Chon Tu-hwan has exercised military dictatorship, suppressed freedom of speech, at every turn employed police to put down democratic persons and young students, arresting, sentencing, and putting them under house arrest on various charges. Refusing to accept this, the opposition forces and students demand that Chon Tu-hwan leave office. Their cry for social democracy is being heard increasingly. They maintain that Chon Tu-hwan's promise to "peacefully transfer state power" in 1988 cannot be trusted, that his insistence on discussing the issue of "constitutional amendments" in 1989 is only an attempt to "regain state power" a year after he steps down in 1988.

Since Chon Tu-hwan grabbed state power, social irregularities have emerged in an endless stream. In particular, financial scandals have cropped up one after another and on an ever larger scale. Many people believe that the major "fraudulent case of Chang Yong-cha's promissory notes" involved Chon Tu-hwan. Recently, it was disclosed that in order to meet some sudden emergency, Chon Tu-hwan used a large amount of foreign exchange to order two super luxurious, special Boeing jets. All this has caused widespread dissatisfaction among the people. The people are complaining about the inestimable foreign debts and increased unemployment.

The waves of anti-government struggles are surging ahead, putting the South Korean authorities on pins and needles. The authorities recently declared that they had to regard the statements and actions of the NKDP and other opposition organizations "as revolutionary lines aimed at inciting uprisings by the people." This shows that the authorities might once again suppress the opposition forces. This will undoubtedly further the antagonism between the government and the opposition forces and make the political situation in South Korea more tense and turbulent.

DEPORTED CHINESE NEWSPAPERMEN REVISIT PHILIPPINES

HK071007 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0755 GMT 4 Apr 86

[By Reporters Xu Shaoling and Zhang Suifeng: "Revisiting the Philippines After an Absence of 16 Years -- an Interview with Yu Chang-cheng and Yu Chang-keng, Veteran Chinese Newsmen in the Philippines"]

[Text] Manila 4 Apr (ZHONGGUO TONGXUN SHE) -- Less than a week after Marcos' fall, the two brothers, Yu Chang-cheng, former director of the Manila "OVERSEAS CHINESE COMMERCIAL DAILY" and Yu Chang-keng, former chief editor of the same paper, returned from the United States and Canada respectively, to the Philippines, the country in which they were born and brought up, and from which they were deported by the Marcos government in 1970. On the afternoon of the day when Mr. Yu Chang-keng was to leave the Philippines for Canada, the two brothers agreed to our interview in a Spanish-style club.

#### Marcos' Fall Was the Inevitable Result

Yu Chang-keng said that revisiting the Philippines after an absence of 16 years, he found rather great changes. Economically, polarization has become all the more grave. The rich have grown richer, and many skyscrapers have been built. But everywhere one finds rickety houses, beggars, poor people, peddlers (actually the unemployed in disguise.) True, 5 star-hotels are many, but customers are few. Such things worry people about the future of the Philippines. He said, when I left the country, Manila had a population of less than three million, now it has grown to eight million. This is the outcome of rural bankruptcy, with poor peasants pouring into the big cities trying to make a living. Besides, the decline and impoverishment of the middle classes is one of the major causes leading to Marcos' fall. A more important change Yu Chang-keng continued, was that the wealthy upper classes also became disappointed in Marcos two years ago. With the assassination of Aquino, the economy came to a complete halt. People of the upper strata failed to do any business, and they began to turn against Marcos as all social strata did. Not thinking there would be any future if Marcos continued in power, people were yearning for a change. Therefore, Marcos' fall was the inevitable result of history.

#### Corazon Aquino Is the Best Choice

Regarding the victory of Corazon Aquino in the current presidential election, the Yus believed that this was inevitable, too. According to Yu Chang-cheng, some people did show doubt over Corazon being a woman and not knowing much about politics; but more people believed that the solution to the problems of the Philippines does not lie in whether someone is capable. The "ablest" man in the Philippines should have been Marcos; however, he has turned the nation into what it is today! What the nation needs is an honest and trustworthy leader who genuinely serves the people. And Corazon is the best choice. Yu Chang-cheng said that Corazon had no experience whatever in government, but now it seems that her political ability is maturing with each passing day. The composure and presence of mind she displayed after she won the presidential election was admirable. She has inherent ability.

#### The Road Is Tortuous, the Political Power Is Stable

Looking into the Philippines' future, the Yu brothers believed that it will be better than Marcos' times in every respect. The impact of the United States will be reduced with each passing day, and the nationalist elements of the new government have grown stronger than any other government since Philippine independence.

Although the nation's road will still be tortuous in the short term, and the resistance of old military and political forces still exists, there is no problem about the stability of the new government, and the main problem facing it now is of an economic nature. Yu Chang-keng also believed that Corazon has become the symbol of the nation, and nobody can take her place now. The fate of the Philippines has now become one with hers. He told us that since she took presidential office, she has not moved into the Malacanang Palace, but is still living in a small town in suburban Manila. Many of the Philippine people are very concerned about her security.

#### Advice to the Overseas Chinese Society

Despite many problems still existing in the Philippines, the Yu brothers are rather optimistic about its future. They expressed their willingness to render service to the success of the new government, and their conceptional plans include the revival of the "OVERSEAS CHINESE COMMERCIAL DAILY," in order to mobilize the Overseas Chinese society to promote the construction of the Philippines with man power and finances, which would not be limited within the Overseas Chinese society itself. The Yu brothers stressed that the Overseas Chinese in the Philippines must regard the Philippines as their own country. Their future and fate must be closely connected with those of the Philippines. The Overseas Chinese must achieve cultural harmony with the Philippine nation, bringing in the merits of Chinese cultural traditions to enrich the nation's culture. At present, the top priority task of the Overseas Chinese is to better unite themselves and plunge into the construction of the Philippines under the leadership of the new government.

#### Dedicate the Rest of Their Lives to The Philippines

At present, the Yu brothers are residing in the United States and Canada. They are still considering whether they should return and settle down in the Philippines and because of a 16-year absence from the Philippines, it will take some time to make arrangements for their personal affairs and families. But they said: We will do our best to return to the country in which we were born and brought up, and dedicate the rest of our lives to it.

These reporters had had no previous connections with the Yu brothers but through this brief contact, we found their feelings for the Philippines had not faded with time and neither have the Philippine people forgotten them. This is because they have made great sacrifices for the freedom, democracy, and social justice of the Philippines. No wonder some Philippine friends call them the "wealth of the Philippines."

#### MANILA RESIDENTS ON CHANGED POLITICAL SITUATION

HK041015 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0950 GMT 3 Apr 86

[By reporters Zhang Suifeng and Xu Shaoling: "Manila Residents View the New Political Situation in the Philippines" -- ZHONGGUO TONGXUN SHE headline]

[Text] Manila, 3 Apr (ZHONGGUO TONGXUN SHE) -- A journalist in Manila says that it is wrong to believe that no new changes have taken place in the Philippines since the "revolution" which led to the downfall of Marcos; and that it is also incorrect to think that all the problems have been solved. There is still a long way to go for the Philippine people to achieve total national and economic independence. A month after Corazon Aquino was sworn in to become the new Philippine president, the reporters came to visit Manila and listened to the opinions of personages of various circles on the situation in the Philippines under the rule of the new government.

Having personally experienced the recent transfer of state power, although inhabitants in Manila view the new political situation differently, they almost unanimously support the new president. As for the downfall of Marcos, they only regard it as an inevitable outcome of history.

A deputy bank manager said that in addition to the support of the people of lower strata and the church, Aquino is also clearly supported by the middle class and the upper circles. Notwithstanding that businessmen are always more conservative and tend to be content with things as they are, however, in this election campaign, businessmen of the Makati business area in Manila also unprecedentedly took part in the street rallies and demonstrations in their Western-style clothes. While the Chinese community does not often participate in political activities, many Chinese youths also joined the masses in safeguarding the barracks of the mutineers and the TV station, thus supporting the new government with their actual deeds. It was because the whole nation despaired of the old regime that Aquino came to power.

From an ordinary housewife to head of state, Corazon Aquino first impressed people with an image of being innocent, open and aboveboard, pure and selfless, winning extensive sympathy and support because of her assassinated husband. Can such an inexperienced woman who knew nothing about politics effectively rule this country with numerous tasks to be undertaken? It is generally believed that, although Aquino still appeared to be hesitant in the initial stages of the election campaign, after becoming president she grew so fast politically that people have had to look at her with new eyes. A personage of the financial circles holds that several things done by Aquino after she assumed office show that she is honoring her promises made during her election campaign, thereby demonstrating her daring and resolution. Most outstandingly, she has released the leaders of the Communist Party of the Philippines [CPP], despite the disapproval of some people. However, her supporters believe that her move can remove the antagonism between the government and the CPP, strive for national stability and enable the state to concentrate on resolving major issues.

Regarding the new government's abolition of the bureaucratic monopolies established during the Marcos' reign, personages of various circles in the Philippines all express their appreciation, believing that this will contribute to the development of free enterprise and stimulate the economy. In recent months, the value of the peso has been rising; and the stock market which was on the brink of closing on several occasions has once again become brisk. This is a phenomenon rarely seen over the last few years.

On 15 and 16 March, the Philippine Development Academy conducted a public opinion poll on the future of the state and individuals among the inhabitants in Metro Manila and the result shows that the majority of the people are optimistic about the state as well as their own future and that 79 percent of the interviewees agree that "the possibility for the Philippines to attain development is greater than before."

At present, it is generally believed that the biggest issue facing the new government is the economy. In recent years, because the economy was at a standstill, inflation was very serious, the national treasury was empty, and external debts reached \$24.8 billion, resulting in the Philippines becoming the fifth biggest debt-ridden country in the world. As a result of the bankruptcy of the rural economy, the number of poor people in the urban areas has greatly increased. Due to the wide gap between the rich and the poor, the masses live in dire poverty and the problems of social and national security have also become more and more serious. Therefore, the Philippine people are confronted with the formidable task of rebuilding the national economy.

AFGHAN REBEL LEADER SAYS SOVIETS MUST LEAVE

OW061340 Beijing XINHUA in English 1306 GMT 6 Apr 86

[Text] Islamabad, April 6 (XINHUA) -- A top-ranking Afghan guerrilla leader said here today that the only way to a peaceful solution of the Afghan problem lies in the immediate and unconditional withdrawal of Soviet troops from Afghanistan. In an exclusive interview with XINHUA this morning, Gulbuddin Hekmatyar, president of the Islamic Party of Afghanistan (Hezbi-Islami), [spelling of names as received] pointed out that as the six-year old Afghan war emanated from Soviet armed invasion of Afghanistan, a tiny central Asian Muslim state, therefore "any solution should be based on Soviet pullout completely and at one time."

Commenting on the reported remarks by Soviet leader Mikhail Gorbachev in which he described the Afghan issue as "bleeding wound", Hekmatyar said: "I do not think that the Soviet Union is now willing to withdraw in the very near future although they have to do so. Russians are actually trying to show that they are in favor of a peaceful settlement of the Afghan issue, not through military means."

"But," he said, "their real intention is to solve the festering issue militarily. The Russian troops in Afghanistan are increasing their atrocities against our people. They are launching more offensives than ever before in Konarha, Paktia, Nangarhar, Qandahar, Herat, Takhar and some other provinces."

"Of late," Hekmatyar disclosed, "the Russian troops have dispatched many helicopters to drop commandos in bullet-proof clothes around Mujahidin (resistance fighters) bases for surprise attacks. "Spetnutz", specially-trained forces of the Soviet Union, have also been thrown into fightings against the Afghan Mujahidin."

Asked about the seventh round of Geneva indirect talks on Afghanistan which is scheduled on May 5 and expected as the "last, lucky and decisive round", Hekmatyar reaffirmed his position that the real warring parties in Afghanistan are the Soviet troops and Afghan guerrillas.

"Without the participation of the two parties," the former spokesman of the Seven-Party Resistance Alliance emphasized, "It would be very difficult, if not absolutely impossible, to make any substantial progress in seeking a negotiated settlement to the Afghan problem." He, however, expressed his optimism about the resistance movement, the situation of which, he said, "is better than before". "The Afghan nation has paid dearly for the restoration of its independence, yet they are still fighting in high morale," he observed.

"The Afghan Mujahidin are prepared for a long war till their final victory. They will never lay down their weapons before winning sovereignty and freedom of their country," he stressed.

FURTHER REPORTAGE ON VISIT BY GREEK PRIME MINISTER

## Papandreou Tours Great Wall

OW081520 Beijing XINHUA in English 1440 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Greek Prime Minister Andreas G. Papandreou and Mrs. Margarita Papandreou and their party toured the Great Wall and Ding Ling, one of the tombs of the Ming Dynasty (1368-1644) to the northwest of Beijing this afternoon. In the evening, the Chinese artists presented song and dance items at a soiree organized by the Ministry of Culture.

## Wu Xueqian, Greek Counterpart Talk

OW081215 Beijing XINHUA in English 1207 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian held talks with Greek Foreign Minister Karolos Papoulias here this afternoon. They exchanged views on international issues of common interest and on the expansion of bilateral friendly relations and cooperation.

## Kang Keqing Meets Papandreou's Wife

OW081034 Beijing XINHUA in English 0804 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met with Margarita Papandreou, wife of Greek Prime Minister Andreas Papandreou, here this morning.

Kang, who is also president of the All-China Women's Federation, briefed her on the role of the Chinese women in the country's four modernizations program and answered questions about their position in the economic reform.

## Li Xiannian, Papandreou Hold Talks

OW090842 Beijing XINHUA in English 0826 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- China and Greece are both countries with ancient civilizations and have many points in common, Chinese President Li Xiannian told visiting Greek Prime Minister Andreas Papandreou here today.

They have no conflicts of interest and share similar views on many major international issues.

Li said the Greek prime minister's current visit would strengthen the friendship between their countries. Papandreou said both Greece and China wanted peace. "Our talks with Chinese leaders have shown that we have much in common on international issues," he said. The two countries are keen to further develop economic cooperation and trade, he said.

Li restated China's independent foreign policy and its pursuit of the five principles of peaceful coexistence in its dealings with other nations.

China would neither attach itself to any big powers nor enter into an alliance with one, and it would not establish strategic relations with a major power. Li said all countries, no matter what their social systems were, could maintain good relations if they treated each other equally and did not interfere in each other's internal affairs.

However, countries with similar social systems could not develop good relations if the principles of peaceful coexistence were not observed.

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Li stressed that all countries, big or small, strong or weak, should be regarded as equals. No country has the right to interfere in another's internal affairs. Papandreou said he fully supported the principles of peaceful coexistence in conducting relations between states.

Li said he hoped that European countries would unite and form a strong political force. Papandreou agreed, saying that in the long term, Europe would become an independent and strong political force.

During the meeting Li briefed the visiting prime minister on China's policy towards the peaceful reunification of the motherland according to the concept of one country, two systems. Papandreou conveyed the greetings of Greek President Kristos Sartzetakis and parliament President Ioannis Alevras to President Li Xiannian. Li also asked Papandreou to convey his good wishes to Sartzetakis and Alevras.

#### Meeting with Deng Xiaoping

OW090909 Beijing XINHUA in English 0850 GMT 9 Apr 86

[Text] Beijing, April 9 (XINHUA) -- Deng Xiaoping, chairman of the Chinese Communist Party Central Advisory Commission, said here today that though the international situation is complicated, two fundamental issues should be noted: the East-West relation and the North-South dialogue.

Speaking at a meeting with Greek Prime Minister Andreas Papandreou, Deng said the East-West relation is actually an issue of war and peace, and also an issue of opposing hegemonism and safeguarding world peace.

"The Soviet Union and the United States are the two countries which are capable of waging a world war," he said. "We regard the Third World as a pillar of the forces safeguarding world peace. Europe, including East and West Europe, is also a force for safeguarding world peace."

Deng said the North-South issue is not only an issue regarding the development of the developing countries. Actually, it is an issue related to the development of the entire world. "Now, there are many poor countries," he said. "If the developing countries, which account for three-fourths of world population, are forever in a state of backwardness, the further development of the developed countries will also be restricted."

"Without solving the North-South issue," Deng said, "the development of the entire world will meet with difficulties. So it is a global and long-term issue."

Briefing the Greek prime minister on China's domestic situation, Deng Xiaoping said, "Progress has been made since China focused its attention on the country's four modernizations seven years ago. This has brought conviction and hope to the Chinese leaders and people."

He said the ongoing economic reform will create favorable conditions for the long-term and stable development of China's economy. "We regard the reform as a second revolution which began in the rural areas. Now we are undertaking the economic reform with emphasis on the cities," he said. "This is not an easy job. We have to explore without any other experience to copy. But the experience from the rural reform over the past five years has been really valuable." Deng said it is unavoidable to make mistakes in the reform. If we want to continue the reform, mistakes will also occur. As soon as we find the mistakes we should correct them. But the road of reform is firm and unshakable " he stressed.

Papandreou said experience is required to carry out the reform but it could also be gained by drawing lessons from mistakes. "We are following closely China's economic reform from Greece, a country far away from China," he said, adding that he hopes the Chinese people will realize their ideal.

The two leaders also discussed Sino-Greek relations. They are satisfied with the co-operation between the two countries.

#### FRG OFFICIAL HAILS PRC'S ECONOMIC SUCCESSES

OW081156 Beijing XINHUA in English 1036 GMT 8 Apr 86

[Text] Bonn, April 7 (XINHUA) -- Hans-Jochen Vogel, chairman of the parliamentary group of the Social Democratic Party of Germany (SPD), today praised the success China has made in its on-going economic reforms.

The Chinese people's living standard has been improved, their incomes increased, and more and better consumer goods available at city markets, said Vogel at a press conference in the Federal Parliamentary building here. Vogel was in China from March 26 to April 4 where he was received by Hu Yaobang, general secretary of the Central Committee of the Communist Party of China (CPC), and Hu Qili, secretary of the Secretariat of the CPC Central Committee.

Vogel said bilateral relations are good, and indicated that China is willing to strengthen ties between the two countries and also between the SPD and the CPC.

Vogel said China is opposed to the U.S. "star wars" program, but favors an agreement between the two superpowers; banning all nuclear tests. China opposes the arms race, he stressed.

Impressed by the on-going economic reforms in China, Vogel said that the reforms in the countryside have achieved remarkable results. Although similar reforms in industry are just beginning, great improvement has been shown in people's living standard and the supplies of consumer goods in cities, he added.

Vogel suggested that Federal Germany do what it can to support and help China in its reform campaign, because China's success in its economic reforms will conform to the interests of Federal Germany and Europe as a whole.

Vogel pointed out that closer ties between China and Federal Germany and between China and Europe will have an impact to the cause of safeguarding world peace.

#### ITALIAN NAVAL VESSELS END 'UNOFFICIAL' VISIT

OW081200 Beijing XINHUA in English 1148 GMT 8 Apr 86

[Text] Shanghai, April 8 (XINHUA) -- Two missile escort vessels of the Italian Navy, under the command of Captain Luigi Lillo, left here today at the end of an eight day unofficial visit.

During their stay here, the Italian officers and men visited vessels of the Shanghai units of the Chinese navy and local factories.

Some of the officers and men also travelled to Suzhou and Hangzhou, two nearby scenic cities. A soccer team made up of Italian officers and men had a match with a team of the China Textile University.

Chinese Navy Commander Liu Huaqing and commander of the East China Sea Fleet of the Chinese Navy Nie Kuiju met Lillo and other officers, and also visited the Italian vessels.

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ZHAO ZIYANG MEETS EUROPEAN SCHOLARS OF CHINESE

OW081534 Beijing XINHUA in English 14300 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Premier Zhao Ziyang today praises the work of 50 visiting european teachers and students who are studying chinese.

The visitors from Britain, the Federal Republic of Germany and Holland were invited to China by Zhao when he visited the three countries last year.

He met them today at Ziguangge hall at Zhongnanhai, Beijing. He told them Ziguangge was formerly an examination hall for high-ranking military officers in the Qing dynasty (1644-1911). Zhongnanhai is now the headquarters of the communist party and State council.

"Since you are here now, you can enjoy the title of 'jinshi' for Chinese language," Zhao said. "Jinshi" means a successful candidate in the highest imperial examinations.

The premier said language was a bridge over which friendly relations between peoples could be promoted. It also helped to deepen mutual understanding and co-operation, but language barriers still existed between many countries.

He hoped more teachers in their three countries would teach Chinese, and said more Chinese schools would teach English, German and Dutch.

Friendly relations and co-operation had been established between China and the three countries. A long-term and stable development of this co-operation depended on the efforts of young people from all four countries.

Group leaders of the three countries thanked Premier Zhao for his invitation.

Present at the meeting were He Dongchang, vice-minister of the State Education Commission, and the ambassadors of the three countries.

ZHENG TUOBIN MEETS DANISH DELEGATION 8 APR

OW080810 Beijing XINHUA in English 0806 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Chinese minister of Foreign Economic Relations and Trade Zheng Tuobin met here this morning a Danish delegation, which has come to attend the 7th session of the China-Denmark Economic and Technical Cooperation Joint Committee.

The delegation, led by Arne Christiansen, Danish chairman of the joint committee and chairman of the Danish Industrial and Economic Cooperation Committee, arrived here April 6.

MORE REPORTAGE ON YUGOSLAV PRESIDENT'S VISIT

Feted in Guangdong

OW072034 Beijing XINHUA in English 2021 GMT 7 Apr 86

[Text] Guangzhou: April 7 (XINHUA) -- Radovan Vljakovic, president of the Presidency of Yugoslavia, said here today that the future development of China would make important contributions to the development of the world and the safeguarding of world peace. Vljakovic made the remarks at a banquet given by Lin Ruo, secretary of the Guangdong Provincial Committee of the Chinese Communist Party, in honor of Vljakovic, his wife and their party here this evening.

Lin said, the open policy has helped the coastal areas of Guangdong become a multi-form, multi-layer and multi-functional economic zone which is serving as an important "bridge" for strengthening economic contacts between China's inland and Hong Kong, Macao and foreign countries. Lin said that Guangdong will continue carrying out the open policy and further its economic and technical cooperation with other countries.

Vljakovic said that during their six-day visit to China, they have witnessed the Chinese people's sincere feelings for the Yugoslav people and their achievements in all fields. He said, because of the correct policy and great people, the future for China is bright.

This morning, the Yugoslav guests visited the Shenzhen Special Economic Zone in the company of Chinese State Councillor Zhang Jingfu.

Departs for Home

OW080750 Beijing XINHUA in English 0731 GMT 8 Apr 86

[Text] Guangzhou, April 8 (XINHUA) -- Radovan Vljakovic, president of the Presidency of Yugoslavia, his wife and their party left here today for home at the end of their seven-day visit to China. They were seen off at the airport by Zhang Jingfu, state councillor, and Lin Ruo, secretary of the Chinese Communist Party Guangdong Provincial Committee. Before their departure, Zhang conveyed to the Yugoslav president a telephone message from Chinese President Li Xiannian, congratulating him on his successful visit to China.

In the message, Li told Vljakovic that he was satisfied with the talks between them as well as meetings between the Yugoslav president and other Chinese leaders, including Deng Xiaoping, Hu Yaobang and Zhao Ziyang. He expressed the belief that the Yugoslav president's visit to China will further promote the friendly relations between the two countries in all fields.

Vljakovic thanked the Chinese president for the message. "We are very pleased that President Li spoke highly of our visit and of our talks with Chinese leaders on major world issues and bilateral cooperation in various fields," he said. Speaking to Chinese reporters, Vljakovic said that the Yugoslav visitors attached great importance to this visit. They have had wide-ranging talks with Chinese leaders. They have also witnessed the great economic and social changes in China and the hard-working spirit of its people. He wished the Chinese people still greater achievements.

MOROCCAN PARLIAMENTARIANS LEAVE FOR HOME

OW061221 Beijing XINHUA in English 1048 GMT 6 Apr 86

[Text] Shanghai, April 6 (XINHUA) -- The Moroccan Parliament Delegation led by its President Ahmed Osman left here for home today at the end of its visit to China. The Moroccan guests, who arrived in Shanghai April 4, visited the Baoshan steel works, and were honored at a banquet by the municipal People's Congress Standing Committee. They visited the adjacent scenic city of Suzhou yesterday.

QIAO SHI MEETS TANZANIAN HOME AFFAIRS MINISTER

OW041155 Beijing XINHUA in English 1121 GMT 4 Apr 86

[Text] Beijing, April 4 (XINHUA) -- Qiao Shi, member of the Political Bureau of the Chinese Communist Party Central Committee, met Hamad Rashid Muhammad, minister of home affairs of Tanzania, and his party here today. Qiao, also secretary of the party's Central Political Science and Law Committee, gave them a brief account of China's ongoing economic restructuring and policy of opening to the outside world. Present on the occasion was Ruan Chongwu, minister of public security.

AFRICAN NATIONAL CONGRESS DELEGATION IN PRC

Welcomed in Wuhan

OW071156 Beijing XINHUA in English 1129 GMT 7 Apr 86

[Text] Changsha, April 7 (XINHUA) -- A delegation from South Africa's African National Congress (ANC) led by its general secretary Alfred Nzo visited the late communist party leader Mao Zedong's birthplace in Shaoshan this morning. The delegation arrived in Changsha, central China, by train from Wuhan yesterday evening.

While in Wuhan, capital of Hubei Province, Guan Guangfu, secretary of the Hubei provincial committee of the Chinese Communist Party, met the delegation. On behalf of the province, Guan expressed firm support to the South African people's just struggle against racial discrimination and apartheid and for racial equality.

Nzo and his party also participated in a gathering attended by more than 1,000 teachers and students in the Central China Teachers' University in Wuhan. Nzo exposed with abundant facts the atrocities of the South African authorities at the meeting.

Feted by Hunan CPC Secretary

HK081544 Changsha Hunan Provincial Service in Mandarin 2300 GMT 7 Apr 86

[Text] At the (Furong) Guesthouse in Changsha yesterday evening [7 April], Provincial CPC Committee Secretary Mao Zhiyong met and feted at Changsha's (Furong) Guesthouse the delegation of African National Congress [ANC] headed by Alfred Nzo, ANC secretary general.

At the banquet, Comrade Mao Zhiyong spoke first. He extended a warm welcome to the friendly envoys from the frontline in the fight against racial discrimination and segregation and for racial equality. Comrade Mao Ziyong said that the struggle waged by the South African people against racial discrimination and segregation is rising to unprecedented heights and striking at the barbarous and cruel racism in South Africa. The struggle of the South African people has won extensive and vigorous support from the international community.

Just as with all Chinese people, we Hunan people, who have a good tradition of waging revolutionary struggle, have always sympathized with and supported the just struggle waged by the ANC, and strongly condemned the various evil acts of the South African authorities.

Secretary General Alfred Nzo also delivered a speech at the banquet. In his speech, he thanked the Hunan people for their deep feelings for the South African people.

Cheng Bangzhu, Provincial CPC Committee Standing Committee member and provincial vice governor, and responsible persons of the provincial foreign affairs office attended the meeting and banquet.

The delegation arrived in Changsha from Wuhan on the evening of 6 April. During their stay in Hunan Province, the members of the delegation will visit places where Comrade Mao Zedong carried out revolutionary activities, rural areas, and factories.

#### NI ZHIFU MEETS EGYPTIAN TRADE UNIONISTS

OW060802 Beijing XINHUA in English 0726 GMT 6 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Ni Zhifu, president of the All-China Federation of Trade Unions, met here today with a delegation from the Egyptian General Federation of Trade Unions led by its President Saad Mohamed Ahmed. In their talks, Ni and Ahmed agreed that the Chinese and Egyptian workers will increase their contacts and contribute more to the growth of the friendly relations between the two countries. The Egyptian guests arrived here yesterday. They are scheduled to leave here this evening for a tour of the South China city of Guangzhou.

#### TRADE UNION LEADER MEETS AFRICAN DELEGATIONS

OW072054 Beijing XINHUA in English 1946 GMT 7 Apr 86

[Text] Beijing, April 7 (XINHUA) -- Luo Gan, vice-president of the All-China Federation of Trade Unions, met here this evening with four trade unions delegations from Togo, Burundi, Benin and the Congo. The meeting was followed by a dinner given by Luo for the visitors. The trade unionists arrived here this morning as guests of the All-China Federation of Trade Unions on a friendly visit to China and for an exchange of views with their Chinese counterparts on trade union work.

MEXICAN SENATE PRESIDENT MEETS NPC DELEGATION

OW071151 Beijing XINHUA in English 1127 GMT 7 Apr 86

[Text] Mexico City, April 6 (XINHUA) -- Mexican Senate President Antonio Riva Palacio said today he believes that the ideas of the Chinese and Mexican governments about world peace and development "coincide."

Receiving the Chinese People's Congress delegation, Riva Palacio said that the delegation's participation in the 75th conference of the Inter-Parliamentary Union, due to open tomorrow, is very important to the development of the conference.

Zhang Zhixiang, head of the Chinese delegation, said the world's people are greatly concerned with the peace and development of the world and his delegation will work together with the Mexican parliament delegation during the conference.

NPC'S ZHOU GUCHENG MEETS BRAZILIAN TRADE GROUP

OW051159 Beijing XINHUA in English 1104 GMT 5 Apr 86

[Text] Beijing, April 5 (XINHUA) -- Zhou Gucheng, vice-chairman of the Standing Committee of the National People's Congress, met with Danilo Dos Santos, president of the Brazil-China Friendship Association, at the Great Hall of the People here this afternoon. Luiz O. Themudo, president of the Brazilian Foco-Fairs, Exhibition and Congresses Ltd., and his party attended the meeting. The Brazilian visitors are here to hold the Brazilian Economic Trade and Technology Exhibition as guests of the Beijing sub-council of the China Council for the Promotion of International Trade. Brazilian Ambassador to China Italo Zappa was also present.

PRC CULTURE MINISTER, OTHERS MEET CHILEAN OFFICIAL

OW081310 Beijing XINHUA in English 1259 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Ye Fei, vice-chairman of the National People's Congress Standing Committee, met leading members of a Chilean goodwill plane mission led by Vice-Foreign Minister Sergio Covarrubias Sanhueza in the Great Hall of the People here today. Chilean Ambassador to China Benjamin Opazo Brull attended the meeting.

This morning, Chinese Vice Foreign Minister Zhu Qizhen conferred with Covarrubias, and signed an agreement on mutual exemption of visas between the two countries. Chinese Minister of Culture Zhu Muzhi gave a reception in honor of the guests here this evening. The mission, which arrived here yesterday at the invitation of the Cultural Ministry, consists of a group from the Chilean Foreign Ministry, Santiago Mayor, air force officers, a folk song and dance ensemble and youth footballers.

RENMIN RIBAO HAILS LATIN AMERICAN STATEMENT

OW081136 Beijing XINHUA in English 1108 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- China's leading newspaper the "PEOPLE'S DAILY" said today that the recent "Guatemala Statement" issued by the Latin American Parliament denouncing superpower interference in Latin America reflected the wish of the people on the continent of peacefully solving the Central America problem.

The statement issued April 5 said that, despite all peace efforts, if an armed intervention of a certain Central American country should take place, the Latin American Parliament would act to defend the independence and freedom of that intruded country.

Noticing that the Contadora Group and the Lima Group had made much effort to seek a solution to Central American conflicts, the commentary said that many of the principles advocated by the Contadora Group had been accepted by the Central American countries and the group's peace efforts enjoyed more and more support in Latin America.

If this trend of development continued, said the commentary, the Central American problem could be solved in a rational way.

However, the U.S. Government, which is trying all means to obstruct the peace mediation of the Contadora Group, refused to resume talks with the Nicaraguan Government, the paper pointed out.

Meanwhile, the commentary went on, the White House pressed Congress to agree to provide an aid of 100 million U.S. dollars to the contras in Nicaragua and continued to carry out military manouvers in Central America.

"It is extremely unpopular that the intervention of big powers has aggravated the situation in Central America, bringing a shadow over Central America's peace efforts," the PEOPLE'S DAILY commentary said.

Coinciding with the special meeting of the Latin American Parliament, 13 Latin American foreign ministers opened a meeting in Panama City to discuss how to seek a peaceful solution to latin American disputes.

All this showed that, the commentary continued, it was more and more difficult for any big power to impose its own will upon Latin American countries and manipulate Central American affairs.

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MINISTER SAYS NO NUCLEAR PLANT IMPORTS

OW081031 Tokyo KYODO in English 1022 GMT 8 Apr 86

[Text] Tokyo, April 8 KYODO -- Chinese Nuclear Industry Minister Jiang Xinxiong, announcing a major policy switch, said Tuesday China will not import nuclear power plants though it is ready to introduce nuclear technology and facilities from other countries. U.S. and European firms are competing to win Chinese contracts for nuclear power plants. "We will not import nuclear power plants for construction in China under contract," Jiang said. He was a guest speaker at the 19th annual convention here of the Japan atomic industrial forum.

China has been constructing its first nuclear power plant at Qinshan, Zhejiang Province, with the nuclear reactor produced domestically and peripheral equipment imported from Japan and Western Europe. It will have maximum production capacity of 300,000 kilowatt-hours. Chinese officials have indicated they will import complete sets of facilities for larger nuclear power plants planned elsewhere.

Jiang said China also plans to build a pressurized water reactor with a capacity of 600,000 kilowatt-hours primarily by its own efforts backed by advanced technology and facilities of other countries. "There will be no change in our policy that we will push a nuclear power development project with firm determination in order to achieve socialist modernization by the end of the century," Jiang said. There have been reports that China has become cautious about promoting construction of nuclear power plants.

PENG ZHEN, OTHERS HEAR NPC REPORTS 8 APRIL

OW081804 Beijing XINHUA Domestic Service in Chinese 1225 GMT 8 Apr 86

[Excerpts] Beijing, 8 Apr (XINHUA) -- The Fourth Session of the Sixth NPC held its fourth plenary meeting at the Great Hall of the People this afternoon. The meeting heard a report on the work of the Supreme People's Court and a report on the work of the Supreme People's Procuratorate. Chairman Peng Zhen attended the meeting. Zhu Xuefan, executive chairman of the meeting, announced the meeting open at 1500. Zheng Tianxiang, president of the Supreme People's Court, delivered a report on the work of the Supreme People's Court at the meeting. Then Yang Yichen, procurator general of the Supreme People's Procuratorate gave a report on the work of the Supreme People's Procuratorate. Other executive chairmen of today's meeting were Seypidin Aizezi, Zhou Guchen, Ma Wanqi, Wei Chunshu, Ruan Bosheng, Li Jianbai, He Zhukang, Zhang Yuhuan, Amudun Niyaz, Xiang Nan, Han Peixin, Chu Tunan, and Xue Ju.

Zheng Says Public Order Improving

OW080836 Beijing XINHUA in English 0725 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- The number of criminal cases have fallen by nearly 36 per cent since 1983 when a big crackdown on criminals was launched, Supreme People's Court President Zheng Tianxiang said here today. In a report on the courts, he said: "A marked improvement in public order has been achieved." Addressing the 2,800 deputies to the National People's Congress, Zheng reported that 542,000 cases were recorded in 1985, the crime rate being 5.26 per ten thousand. This rate was low compared with that in many other countries, he told the NPC session.

He went on that between August, 1983, and the end of last year, courts at all levels had heard 1,102,000 criminal cases, with 1,395,000 criminals sentenced. Just over half of these had been members of hooligan gangs, murderers, rapists and robbers. He said: "The policy of the people's court is to combine suppression with leniency." Of the total number of offenders tried, 42 per cent had been sentenced to long prison terms of between five years and life or even death, while the rest had received short jail sentences or detainment or, in some cases, been freed with no punishment. Last year, over 107,000 prisoners had their sentences reduced, while 5,600 were more severely punished because of escaping or committing new crimes. Zheng added that China's courts had heard 246,000 cases involving 277,000 offenders last year -- drops of 43 per cent and 54 per cent respectively compared with 1984.

However, he warned people to guard against complacency because of the improved situation. "Serious offences are still committed, and some of them are on the increase." Zheng stated that the courts will continue to concentrate their efforts on hooligan gangs, murderers and rapists. At the same time they will deal firmly with thefts, defrauding and smuggling and sales of pornographic video tapes.

#### More Pressure on Economic Crime

OW080834 Beijing XINHUA in English 0736 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- China will clamp down even harder on economic crimes to guarantee the smooth progress of the present economic restructuring, a senior Chinese official said here today. "Serious economic crimes are still being committed and we are not dealing with them strictly enough," Zheng Tianxiang, president of the Supreme People's Court, said in a report to the current National People's Congress session here today. From 1982 to the end of 1985, he noted, the people's courts at all levels had tried 183,000 cases of economic crimes, netting 224,000 offenders. Economic crimes at present mainly involve bribery and corruption, speculation and fraudulent contracts, he said.

Serious offenses, especially those in which state and collective enterprises, and party, government and military organizations worked in collusion with people from outside, have sharply increased, he admitted. "Serious economic crimes severely undermine the reform, and the policies of opening to the outside world and enlivening the domestic economy," he said. "Such crimes must be sternly punished so as to tighten the clamp-down on economic offenses."

Zheng warned, however, that a distinction must be made between economic crimes on the one hand, and mistakes committed because of inexperience, unhealthy practices and bureaucracy on the other. Moreover, a further distinction must be made between problems which crop up because of defects in the system and offenses against the economic laws. "The actual amounts of money involved are not the only criteria of the seriousness of economic crimes," Zheng added, explaining that though some offenders themselves may not gain much, the damage they cause to the country can be tremendous.

"Severe punishment should also be given to those whose actions bring the nation into disrepute, in spite of the fact that the economic damage is not great," he stressed. "Many economic crimes today are the result of the pernicious influence of bourgeois ideas such as blind pursuit of money," he noted. Some people trade state secrets for money or gain personal wealth at the expense of the interests of the state. Such criminals must be sternly punished," he said.

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### Civil Jurisdiction Viewed

OW080822 Beijing XINHUA in English 0742 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- China's chief justice today urged all courts to reinforce economic jurisdiction so that it serves as an effective means of sanctioning socialist economic relationships and activities. Zheng Tianxiang, president of the Supreme People's Court, told the ongoing annual session of the National People's Congress (NPC) in Beijing that economic lawsuits had doubled and redoubled over the past few years. In 1983, he said, only a little more than 44,000 cases were handled by the courts. In 1984, the number of cases nearly doubled to reach more than 85,700, then increased by 160 percent in 1985 to approach 226,600. More than 90 percent of these cases were related to business contracts, Zheng said. There were 846,000 civil cases in 1985, up slightly over the 1984 figure.

Due to the readjustment in production relations and changes in property ownership, suits involving natural resources such as land, trees and (?water) rose by 12.7 percent. A large number of suits were brought to court over disputes involving renting and purchasing houses, the possession and use of building sites, inheritance, support of parents and the raising of children. There was also a striking increase in the number of divorce cases, perhaps caused by a temptation to "hasty marriage and reckless divorce," and because of "third party" involvement, Zheng said.

He urged courts at various levels to carry out in-depth investigations on these new problems. When conducting trials involving these cases, he said, the courts should place emphasis on the protection of economic development, of family amenity, and of the lawful rights of citizens, particularly women, children and old people. Zheng pointed to the problem of homicides and serious-injury cases caused by civil disputes, calling on judges at all courts to prevent civil disputes from intensifying and minimize violence by spreading legal knowledge and settling minor disputes among the masses.

### Yang Details Crime Fight

OW080958 Beijing XINHUA in English 0843 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Fighting economic crime in China will be a long-term task, a leading criminal prosecutor told the ongoing annual session of the National People's Congress here today. Yang Yichen, procurator-general of the Supreme People's Procuratorate, which both investigates and prosecutes criminals, said the agency would continue this year to focus on combating economic crime. Last year, he said, 28,000 economic crimes were investigated to the point of identifying suspects -- nearly 30 percent more than in 1984 -- of which 6,200 were "major" crimes, triple the number in 1984. Among these were cases of bribery involving hundreds of thousands of yuan, embezzlement of up to one million yuan, and speculation in foreign currency up to ten million yuan.

Overall, Yang said, 254,000 people were arrested last year on charges of robbery, rape, murder and criminal offences, and judicial action was initiated against 255,000 people, some of whom had first been charged in 1984. Cases involving civil rights violations or official neglect totaled 5,800.

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Yang said economic offences must be dealt with "swiftly and sternly" to deter potential criminals and to prevent corruption and larceny from "running wild." Failure to act against such crimes "will lead to the deterioration of the country's entire economy," he said. Because of China's long feudal history compared with its short rule by law, laws were broken in recent years by people who were not subsequently punished, according to Yang. A few officials even put their power and themselves above the law, he said. In response, procuratorial agencies waged a resolute struggle to defend the dignity of the socialist legal system and solved a number of major cases by breaking through criminals' social contacts, Yang said.

XU JIATUN SAYS HONG KONG TO BENEFIT FROM PLAN

HK081049 Beijing ZHONGGUO XINWEN SHE in Chinese 1452 GMT 31 Mar 86

[Report: "Xu Jiatun Says Hong Kong Will Profit From Implementation of the 'Seventh 5-Year' Plan"]

[Text] Beijing, 31 Mar (ZHONGGUO XINWEN SHE) -- Xu Jiatun, NPC deputy and director of the Hong Kong Branch of the XINHUA NEWS AGENCY, said at a group discussion meeting of NPC deputies from Hong Kong and Macao this afternoon that the Fourth Session of the Sixth NPC will have a far-reaching impact on Hong Kong, and that the measures proposed by the Seventh 5-Year Plan, such as continuing to encourage investment and importing advanced technology and equipment, will enable Hong Kong to benefit greatly.

Xu Jiatun said that some people believed that Shanghai would finally replace Hong Kong, but he thought that this was impossible. It is impossible for Shanghai to have the conditions with relation to information, communications, and personnel to replace Hong Kong. Hong Kong has a capitalist system, while Shanghai has a socialist system. Shanghai is devoid of many conditions which Hong Kong enjoys. Nor can Southeast Asian countries replace Hong Kong because Hong Kong is situated near the Chinese mainland. He said with a smile that as the hinterland has boundless prospects, so does Hong Kong. Those who are farsighted will benefit the most.

He said that some people at home and abroad thought that China was now pursuing revisionism, but he was of the opinion that what China was doing was a new development in Marxism. We should learn from the advanced administrative and managerial experience of capitalist society, assimilate its essence, and reject the superfluous. Xu Jiatun said that tremendous achievements have been scored in China's construction, but it has also had quite a few defects. However, in viewing an issue, we should see its essence. In Premier Zhao's report, he mentioned that the current period was a period in which the new system replaced the old one, and that there would certainly be many complicated contradictions in this period. Some people are of the opinion that China has failed in carrying out its reform, but facts have proven that it scored tremendous achievements in its Sixth 5-Year Plan and has raised its growth rate, improved its finances, and selected a correct path for reform.

CPPCC COMMITTEE TO ADD 3 VICE CHAIRMEN

OW080952 Beijing XINHUA in English 0907 GMT 8 Apr 86

[Text] Beijing, April 8 (XINHUA) -- Three new vice-chairmen will be added to the National Committee of the Chinese People's Political Consultative Conference. A list of the candidates was approved at the 12th meeting of the organization's Standing Committee here this morning. Also approved at the meeting were 12 candidates for Standing Committee membership and a candidate for the post of the organization's secretary-general.

The candidates, altogether 16, are influential in the Communist Party and non-communist parties and among circles of commerce, culture and religion as well as Overseas Chinese, said an attendant of the meeting. In the past year, 15 Standing Committee members died and another one resigned. There were 295 members at the Standing Committee when the organization's previous session was held in March last year.

Today's meeting also passed a report submitted by the Motions Examination Committee. Since the opening of the current CPPCC session on March 23, the committee has received 1,130 motions from the CPPCC members. Now all the motions have been examined, and some have been submitted to and responded by government departments, according to the report.

Other documents adopted at the meeting were a draft political resolution of the current CPPCC session and a draft resolution on the work report of the Standing Committee of the CPPCC National Committee. The report and resolutions will be submitted to the CPPCC session for examination.

The meeting also approved a decision on activities to mark the 120th anniversary of Dr. Sun Yat-sen's birth.

[Beijing XINHUA Domestic Service in Chinese at 0809 GMT on 8 April in a similar report adds: Yang Jingren, vice chairman of the CPPCC National Committee, presided over the meeting, and other vice chairmen who attended the meeting were Liu Lantao, Pagbalha Geleg Namgya, Hu Ziang, Qian Changzhao, Yang Chengwu, Chen Zaidao, Lu Zhengcao, Zhou Peiyuan, Burhan Shahidi, Miao Yuntai, Wang Guangying, Deng Zhaoxiang, Fei Xiaotong, Zhao Puchu, Ma Wenrui, Mao Yisheng, and Liu Jingji. Acting Secretary General Zhou Shaozheng briefed the participants on the discussions held by various groups of the Fourth Session of the Sixth CPPCC National Committee. The report also says that the meeting accepted Chen Siyuan's resignation from the posts of deputy secretary general of the CPPCC National Committee and vice chairman of the Proposals Handling Committee and notes he has been transferred to work in the NPC Standing Committee]

#### 'GOOD START' IN CORRECTING UNHEALTHY PLA TRENDS

HK081000 Beijing ZHONGGUO XINWEN SHE in Chinese 1400 GMT 5 Apr 86

[Report by reporter Li Wei: "PLA Has Made a Good Start in Correcting Unhealthy Trends"]

[Text] Beijing, 5 April (ZHONGGUO XINWEN SHE) -- The Chinese Army has made a good start in correcting unhealthy trends. The Army has basically corrected the phenomenon in which units led by cadres seek undue preferential treatment. Some leading cadres who used more automobiles than allowed have returned the excess ones to the authorities. The Army has also basically checked the unhealthy tendency of indiscriminately forming companies. This was revealed today by Yan Jinsheng [7346 6855 3932]; NPC deputy and deputy secretary of the Central Military Commission Discipline Inspection Commission, in an interview with the reporter.

He said: Since January this year when the conference of central party, government, and Army organ cadres on correcting party style was held, the whole Army has seriously implemented the various regulations of the CPC Central Committee, the State Council, and the Central Military Commission on correcting party style. The leading organs, as well as leading cadres at the upper level, have measured themselves by central standards and have seriously corrected the unhealthy trends, thereby meeting the requirement of the Central Military Commission that when correcting unhealthy trends, the Army should begin with the leading organs and leading cadres at upper levels.

The upper level of the Chinese Army's leading organs refers to the General Staff Headquarters, the General Political Department, the General Logistics Department, various military regions, arms, services, the National Defense Science, Technology, and Industry Commission, the national defense universities, and so on.

Yan Jinsheng noted: Following the conference, the Central Military Commission took immediate action and listened to report of various leading organs at the upper level. At the same time, they firmly grasped major cases so that the time needed for solving the cases was greatly reduced. For instance, they have given a cadre at deputy army level a disciplinary warning for watching and allowing the showing of banned videotapes and have issued a circular on the case. In another case, they expelled Li Qingshan [2621 1987 0810], division commander of a certain railway corps, who took advantage of the decision to merge the railway corps with the Railway Ministry and, by using forged documents, got double the amount of the wages he was entitled to receive, totaling 2,977 yuan.

Yan Jinsheng said: Various unhealthy, tendencies in society also occur in varying degrees in the Army. The problems found show that some cases involve leading cadres at the upper level. He said: The principle of the Central Military Commission and the Central Military Commission Discipline Inspection Commission is that no matter what the rank of the cadres involved, whoever violates discipline and the law will, upon being uncovered through investigation, be disciplined and seriously punished under the law. Those who commit criminal acts will be held accountable.

Yan Jinsheng held: The mainstream of the party style of the Chinese Army is good. Otherwise, the Army would not be able to achieve good results in recent tasks, such as readjusting leading groups, reforming structure, streamlining, military training, ensuring logistical services, and so on. He told the reporter that there are many things yet to be done by the Army in the work of correcting party style. However, so long as we seriously implement it, we shall realize the Army's task of fundamentally changing party style for the better within this year.

#### ADVANTAGES, DISADVANTAGES OF REFORM CONSIDERED

HK080753 Beijing RENMIN RIBAO in Chinese 28 Mar 86 p 5

[Article by Jin Wen: "Acquire a Correct Understanding of Both Advantages and Disadvantages, Gains and Losses of Reform -- abridged from JIEFANGJUN BAO" -- capitalized passages published in boldface]

[Text] Reforms are bound to evoke strong repercussions among the people. It is reasonable for the people to comment on reforms, particularly their advantages and disadvantages. It is a requirement of reform to attain correctness and unity of thinking through these comments. The answer is that we must develop scientific thinking improve our dialectical comprehension.

THE "CONCEPT OF COEXISTENCE." The majority of the people have realized that, without reform, there would be exit for China. However, with regard to certain comrades, the stronger their desire for reform, the more they idealize and expect from reform. Furthermore, they idealize reform in light of their individual needs and demands, as if reform should make everything smooth, pure, and perfect. Others are used to outmoded conventions and thus make excessive demands on newly emerging things. A common feature of innocent views and attitudes that demand perfection is the absolute method of thinking. Reform should achieve advantages and correct things, instead of causing disadvantages and mistakes. Otherwise all kinds of complaints will arise.

As a matter of fact, the method of thinking in terms of the absolute runs counter to dialectical materialism. So long as reform is carried out in reality rather than in the imagination, the people will eventually discover that the road of reform cannot be smooth and direct, and that reform may bring about both advantages and disadvantages, gains and losses. This conforms to the law of the unity of opposites.

Reform itself is a process of developing advantages and eliminating disadvantages. The coexistence of advantages and disadvantages does not mean that disadvantages are inherent in reform, but that problems arising in the course of reform are inevitable. Reform is an extremely complicated undertaking without precedent. Because the ability of cognition and practice by leading cadres at all levels is bound to be conditioned by the various factors of history and reality, their policy decision mistakes made under the complicated and ever changing conditions of reform are unavoidable. Even if policy decisions are correct, some failures may also be inevitable if specific measures are not perfect and do not correspond to reform, or if measures are not implemented in earnest due to a lack of experience and obstructions encountered from force of habit. Viewed from the angle of modern management, all policy decisions concerning reform belong to risk policy decisions. As they are risk policy decisions, the possibility of failure cannot be avoided. Viewed from the revitalization of China's economy and the people's aspirations, it is expected that the pace of reform will be accelerated. If the pace of reform is accelerated to a certain extent, it would mean a wider scope and increased intensity of transformation within a certain period, and a greater risk in reform policy decisions. Generally speaking, it increases the possibility of mistakes, big or small. In recent years, we have achieved remarkable successes in reform of the economic structure. We have also taken big and courageous steps in certain aspects, such as the reform of the pricing system, without making serious mistakes. This is a manifestation of the success of our reforms.

THE "CONCEPT OF DOMINANT POSITION." By admitting the coexistence of success and failure, advantages and disadvantages, we can see only one side of the matter. It is more important to grasp the main aspect of the matter, and that is, whether the successes and advantages outstrip the failures and disadvantages, or vice versa. Only by grasping the main aspect can we have a correct understanding of the nature and prospects of reform.

Regarding the current measures adopted for reform, we should first of all be aware that their advantages outstrip disadvantages. Since advantages occupy the dominant position, it shows that policies and measures for reform are correct and that we should continue to implement these policies and measures without hesitation. Second, we must be aware that certain problems which emerge in reform are problems that will inevitably arise on the road ahead. Only by taking problems seriously and adopting appropriate measures can they be diminished and eliminated. Third, it is necessary to differentiate true disadvantages from false ones. During the transformation period, changes in people's views usually fall behind those in real life. If the people look at problems arising from reform with outdated views and in a conventional way, they could easily regard correct things, which are unfamiliar to them, as "disadvantages." Consequently, they have a blurred idea of the nature of things and make incorrect judgments. Fourth, we should see whether mistakes in reform belong to the part or to the whole; whether mistakes are admitted and resolutely corrected after being discovered; and whether we have earnestly drawn lessons from mistakes. If mistakes belong to the part and they are corrected promptly after being discovered, and lessons are drawn, we can diminish the losses incurred from mistakes to the minimum, turn the price paid into conceptual wealth, and reduce the possibility of mistakes in the future.

THE "OVERALL POINT OF VIEW." It is quite natural for the people to look at the advantages and disadvantages of reform from the perspective of benefits to themselves and their units. Although these are trivial matters that belong to the part, they should not be simply negated. Nevertheless, we should have an "overall point of view" while handling trivial matters.

We should also be aware that reform, in a sense, is actually the readjustment of the people's material benefits and economic and political power. With reforms carried out in wages, employment, pricing, taxation, and finance, preliminary and secondary distribution of the national income will gradually tend toward rationality. The income of some people may increase more quickly, while the income of others may increase more slowly. The actual wages of a minority of people may even drop somewhat. These phenomena are unavoidable during the early periods of reform. Regarding the substitution of new cadres for old ones; separating government administration from enterprise management; delegating the power of government organs and enterprises; and exercising decentralized management, the gains and losses of different organs, departments, and individuals are uneven. It would be wrong if we fail to look correctly at these problems and simply appraise the success or failure of reform from the gains and losses of individuals and units concerned. Therefore, it is necessary to acquire an "overall point of view" and to take the interests of the whole into account.

By taking the major issues and overall situation into account, we should see whether reform has developed the economy and social productive forces of our country as a whole; increase industrial and agricultural products and labor service; and raise the income of the people of all strata. This should also be the case in the readjustment of power. Power belongs to the people. It is readjusted between higher and lower authorities, and it serves as a link among the people. It is correct and reasonable if the progress of economic prosperity and political democracy is pushed forward by efficiently exercising power. If we look at major issues in terms of time, we should be aware that reform constitutes a process, and the process is usually divided into several stages. Mistakes are inevitable either in the overall process or in each stage. It would be a success if we could exchange temporary losses for long-term gains and exchange current minor losses for major gains in the future.

THE "CONCEPT OF LOOKING AT THINGS WITH AN EYE ON THE COURSE OF THEIR DEVELOPMENT." By saying that the advantages and disadvantages of reform coexist and are inevitable, it does not mean that we should ignore disadvantages and losses. Even if these mistakes and disadvantages are of no importance to the success of reform, we should take them seriously and adopt vigorous measures to solve them. Naturally, we should be aware that the purpose of solving these problems is to do a better job of reform. These problems can be appropriately solved only in the course of continuously developing and perfecting reform. We must never retreat or try to turn the clock back. It is the general trend of human history to develop and advance. All social problems are fundamentally solved in the course of social development and advance, instead of through social retrogression and stagnation. Although temporary stagnation and retrogression are inevitable in human history, they can only accumulate and cause deterioration in existing social problems. If we stop or retreat when we encounter difficulties and setbacks, everything will revert to the old system. By evading new problems, we will only encounter deep-rooted disadvantages of the old system. We intended to pay less but actually paid more. This is precisely the greatest mistake.

The history of China's reform shows that it is difficult to start a reform but even more difficult to carry it through to the end. However, times have changed, and the majority of the people support our reform. This is an iron-clad fact and the source of our reform's success. Although advantages and disadvantages have emerged in the course of reform and are intermingled in a complicated manner, so long as the people who support and are enthusiastic about reform stay sober-minded, they will further enhance their faith in pushing history forward. Without reform there would be no exit for China. If we fail to carry reform through to the end, there will also be no exit. Therefore, we should acquire a "developing viewpoint" theoretically, and in practice, we should stick to the spirit of the foolish old man who persevered and removed the mountains.

JINGJI RIBAO URGES FURTHER TECHNICAL INNOVATIONS

HK080638 Beijing JINGJI RIBAO in Chinese 27 Mar 86 p 1

[Editorial: "Stir Up Enthusiasm Among the Broad Masses of Staff Members and Workers for Technical Innovations"]

[Text] Mobilizing thousands and millions of people to participate in activities aimed at rationalizing proposals and technical innovations is an effective way of giving play to the wisdom and creativity of staff members and workers. It is also an important means of accelerating technical transformations and promoting technical progress at enterprises.

In the past few years, the activities of staff members and workers in rationalizing proposals and technical innovations have developed vigorously. The number of rationalization proposals made and the value created by them have increased by a big margin. According to incomplete statistics from 12 provinces and cities, including Hebei, Hunan, Liaoning, and Jiangsu in 1985 alone, staff members and workers made over 4.5 million items based on rationalization proposals and technical innovations. Of these, 1.35 million were adopted, creating a value of over 4.4 billion yuan. Numerous other rationalization proposals and technical innovations have brought great benefits to society. Experience shows that rationalization proposals and technical innovations represent vitality, and they create many opportunities for development.

However, we must recognize that as a result of damage caused by the decade of turmoil, the per capita and total number of rationalization proposals and technical innovations in our country at present are still a far cry from the levels of the 1950's and early 1960's. Looking at country as a whole, the development of these activities is quite uneven. Only some areas and enterprises have done a good job. Many areas and enterprises have simply called on workers to participate in such activities, but have done little solid work to that end. It is necessary to further tap latent potential and bring into play the limitless wisdom of millions and millions of workers and staff members in our country.

The party and government have always attached great importance to bringing into play the wisdom and capabilities of staff members and workers and arousing their enthusiasm for making rationalization proposals and technical innovations. As early as the 1950's, the Government Administration Council promulgated the "decision on awarding inventions, technical improvements, and rationalization proposals related to production." In 1963, the State Council also formulated "regulations on awarding technical improvements." This played an effective part in encouraging staff members and workers to make inventions and rationalization proposals. After revising the appropriate rules and regulations, the State Council again promulgated the "regulations on awarding rationalization proposals and technical improvements" in March 1982. This document embodies our country's present policy for awarding rationalization proposals and technical improvements and guides enterprises and units under the ownership of all the people. It is necessary to point out that at present leaders of a small number of enterprises lack the necessary enthusiasm for invention and creation by the masses and do not duly award those who have made contributions. This practice is not conducive to arousing the enthusiasm of staff members and workers for invention and creation.

In the proposals for formulating the Seventh 5-Year Plan, the party Central Committee explicitly pointed out: "All enterprises should attach due importance to actively arousing the broad masses of the staff members and workers to carry out technical innovation activities centering around work to improve the quality of products and increase economic results." Leading comrades of various areas, departments, and enterprises should regard these activities as an important means to implementing the Seventh 5-Year Plan.

Ideologically, we should attach due importance to these activities. We should actively and seriously mobilize and organize staff members and workers and put work in this respect as the order of the day. We should grasp such work tightly and do it well. Rationalization proposals involve the production, technology, operation, management, and other aspects of an enterprise and their implementation requires the cooperation of party, administrative, trade union, and CYL organizations. We must set up effective departments with qualified personnel and establish necessary handling procedures and a managerial system to handle these proposals and put them into use in good time in order to yield economic results as soon as possible. Various departments must hand out awards according to regulations on awards promulgated by the State Council and earnestly correct the erroneous practices of placing obstacles to handing out awards, reducing the fixed amount of awards, or delaying the time for handing out awards.

#### NEW PLAN STRESSES TECHNICAL TRANSFORMATION

OW081204 Beijing XINHUA Domestic Service in Chinese 1307 GMT 7 Apr 86

[By reporter Xu Yaozhong]

[Excerpts] Beijing, 7 Apr (XINHUA) -- During the Seventh 5-Year Plan, the focal point of China's construction will be shifted to the existing enterprises' technical transformation and their reconstruction and extension. China will take the road of expanded reconstruction with intensive growth playing the dominant role. The existing enterprises are the foothold and starting point of China's economic development. Compared with the construction of new projects, the existing enterprises' technical transformation develops economy with less investments, shorter cycles, and greater economic results. Therefore, doing a good job in technical transformation in the Seventh 5-Year Plan is of very important significance to increasing sustained economic development in the 1990's.

According to the State Planning Commission, in order to carry out the task of technical transformation during the Seventh 5-Year Plan, the state has adopted the following measures: 1) Reduce enterprises' regulatory tax and increase their rate of depreciation. Allocate more funds for technical transformation of enterprises. 2) Banks must play a strict supervisory role to guarantee that funds are used mainly for renewal of equipment and technical transformation. No operational investments are allowed to be used on other capital construction projects. 3) Lay the emphasis of enterprises' technical transformation on the improvement of the quality and function of products, conserving of energy resources, reduction of the consumption of raw and other materials, the increase of exports to earn more foreign exchange, and the increase of more marketable products. 4) Concentrate funds for renewal of equipment and technical transformation in an appropriate way and use them first on transforming key backbone enterprises which have an important bearing on the whole situation. Machine-building and electronics industries must start their technical transformation first.

The State Economic Commission has made arrangements for technical transformation in the first year of the Seventh 5-Year Plan. It calls on all localities, departments, and enterprises to grasp the improvement of product quality as the central task of this year's technical transformation. To strengthen quality control, China will establish over 100 national-level quality control centers throughout the country. It is necessary to fully staff these centers and purchase and install advanced testing equipment. In addition, it is necessary to grasp well the technical transformation work of large and medium-sized enterprises and enterprises producing products for export and earning foreign exchange. We must fulfill the technical transformation task of all 550 key projects of machine-building and electronics industries this year. It is also necessary to speed the technical transformation of 1,200 projects for enterprises which export products for foreign exchange and light and textile industrial enterprises in coastal areas and over 120 "civilian-military integrated" projects, so that the investment yield can be achieved as soon as possible.

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TRADE UNION OFFICIAL URGES SUPPORT FOR PLAN

OW082202 Beijing XINHUA Domestic Service in Chinese 0231 GMT 8 Apr 86

[Excerpts] Beijing, 8 Apr (XINHUA) -- Luo Gan, vice president of the All-China Federation of Trade Unions, said today at a trade union organization work meeting held by the All-China Federation of Trade Unions: Trade union organizations should mobilize the working class in China to make new and greater contributions to fulfilling the Seventh 5-Year Plan and promoting the economic structural reform.

Luo Gan pointed out: From now on, trade union work as a whole should focus on fulfilling the Seventh 5-Year Plan. First, we should energetically publicize and seriously study Premier Zhao Ziyang's report on the draft Seventh 5-Year Plan. In the course of publicizing and studying the report, we should make the workers and staff fully aware of our country's brilliant achievements in socialist modernization during the Sixth 5-Year Plan; make them aware of the basic tasks, construction principles, and reform measures of the Seventh 5-Year Plan; make them clearly understand the far-reaching significance of reform; and further raise their awareness of the need to participate in and support the reform. Second, we should take action through various channels to make the workers and staff fully display a spirit of being the masters of their own affairs, constantly raise their ideological consciousness and level of scientific and general knowledge, actively participate in democratic management of enterprises, comprehensively make rational suggestions, undertake technological innovation and cooperation, and serve as the main force to fulfill the Seventh 5-Year Plan. Third, we should seriously adhere to the strategic principle of "building the two civilizations" simultaneously; strive to commend the exemplary deeds of advanced persons and advanced organizations; thoroughly carry out education in upholding the four basic principles and in lofty ideals, a sense of discipline, and social and work ethics; and inspire among the workers and staff great enthusiasm for and dedication to building socialism.

XI ZHONGXUN, OTHERS MOURN NOTED WRITER

OW080134 Beijing XINHUA Domestic Service in Chinese 1714 GMT 7 Apr 86

[Text] Beijing, 7 Apr (XINHUA) -- A ceremony to pay last respects to Nie Gannu, member of the Sixth CPPCC National Committee and a noted writer, poet, and researcher of classical literature, was held this afternoon at the auditorium of the Babaoshan Cemetery for Fallen Revolutionaries.

Wreaths were presented by Xu Xiangqian, Ulanhu, Xi Zhongxun, Hu Qiaomu, Deng Liqun, Zhu Xuefan, and Qu Wu. Also presenting wreaths were: the CPPCC National Committee, the Central Committee of the Kuomintang Revolutionary Committee, the Organization and Propaganda Departments of the CPC Central Committee, the Ministry of Culture, and All-China Federation of Returned Overseas Chinese, the Chinese Writers Association, the Alumni Association of the Huangpu Military Academy, the State Publication Bureau, and the Jingshan County CPC Committee and People's Government in Hubei Province.

Amid the strains of funeral music, Xi Zhongxun, Deng Liqun, Zhu Xuefan, Yang Jingren, and Qu Wu, as well as more than 600 people from the capital's cultural, art, journalistic, and publishing circles, paid their last respects to this veteran fighter of the movement for proletarian literature and art whose remains, surrounded by fresh flowers, were lying in state. They also expressed their sympathies to his widow, Zhou Ying.

FUJIAN PERSONNEL MEETING ON CADRE APPOINTMENTS

OW061406 Fuzhou FUJIAN RIBAO in Chinese 27 Mar 86 p 1

[Text] The provincial party committee's Organization Department recently held a meeting of the directors of organization departments of all prefectural and city party committees in the province and the directors of cadre (personnel) sections of some of the units directly under the province to study the "Circular of the CPC Central Committee on Promoting and Appointing Cadres Strictly in Accordance With Party Principles." The meeting, in connection with the actual situation, reviewed and examined the problems our province has encountered in the past few years in promoting and appointing cadres and made arrangements to implement the "circular." Jia Qinglin, deputy secretary of the provincial party committee, attended the meeting to give a speech.

The meeting pointed out: The CPC Central Committee's "circular" is an important document for us in correctly implementing the policy of "making cadres more revolutionary, younger in average age, better educated, and more professionally competent"; upholding the principle of appointing people on their merits with a fair and proper attitude; rectifying and preventing unhealthy tendencies concerning the promotion and appointment of cadres; and bringing about a change in the cadre system and work method. We must conscientiously implement it. The meeting put forth three points in regard to the implementation of the "circular": 1) In organization work, it is also necessary to combine macroeconomic control with microeconomic invigoration. In matters that affect a larger area and a long-term period and matters that affect the interests of the whole situation, the need for macroeconomic control should be taken into consideration in order for our cadre promotions and assignments to better follow the strategic principles and strategic requirements of the central authorities. But it is also necessary to pay attention to microeconomic invigoration. The methods we use should be very flexible permitting specific analysis of specific problems and specific persons in order to do things more in line with the actual situation. 2) In organization work, it is necessary to act strictly in accordance with the organization principles. Any sign of individual feelings should be avoided in the handling of cadre matters. What we should do is uphold the party's fine tradition of cadre work and refrain from either the attitude of what one person says counts or the practice in which every concerned department wants to have its say. While it is necessary to maintain centralized control over cadres, it is also imperative to fully take the mass line to extensively solicit opinions from the masses. At the same time, the principle of democratic centralism should be practiced without fail. 3) Organization departments should strive to set examples in rectifying party style by waging struggle against unhealthy practices. Particularly in regard to discipline concerning personnel work, it is necessary to carry out self-examination in connection with our actual situation and with the problems found in organization work and cadre work.

FUJIAN CONGRESS STANDING COMMITTEE MEETING ENDS

OW090353 Fuzhou FUJIAN RIBAO in Chinese 29 Mar 86 p 1

[Excerpts] The 18th meeting of the Standing Committee of the 6th Fujian Provincial People's Congress concluded yesterday.

The meeting heard a relayed report on the guidelines laid down by the 15th meeting of the 6th NPC Standing Committee; adopted a decision to convene the 5th session of the 6th provincial People's Congress; and heard and discussed a briefing by Vice Governor You Dexin on the province's technical progress in industry and on its communications, transportation, energy resources, and grain allocation and transport.

It also heard and discussed briefings by Chen Zhenliang, director of the provincial Justice Department, on education to disseminate general knowledge of the law; by Jiang Xi [3068 2522], deputy director of the provincial Public Security Department, on banning gambling in the province; and by Lu Shujie, deputy director of the provincial Industrial Survey Office, on industrial surveying in the province.

On a proposal by Governor Hu Ping, the meeting decided to appoint Nan Jiang director of the provincial Tourism Bureau.

Cai Liangcheng, vice chairman of the provincial People's Congress Standing Committee, presided over yesterday morning's meeting. Shortly before the end of the meeting, Wang Yan, vice chairman of the provincial People's Congress Standing Committee, spoke on examination of the province's Seventh 5-Year Plan by the forthcoming fifth session of the sixth provincial People's Congress, as well as on such questions as grain, technical progress, communications and transportation, energy resources, education in general knowledge of the law, a gambling ban, and industrial surveying.

The meeting pointed out: The main problems in the legal system are that the law is not observed or strictly enforced, and that lawbreakers are not dealt with. An important reason for this is that the work of publicizing the law and educating people in it has not been done well. Therefore, it is very important to disseminate general knowledge of the law among the people. In their speeches at the meeting, members of the provincial People's Congress Standing Committee sternly criticized certain leading cadres for failing to understand the law and enforce it impartially.

Wen Xiushan, Kang Beisheng, Wang Zhi, Liu Yongye, and Hou Linzhou, vice chairman of the provincial People's Congress Standing Committee, attended yesterday's meeting.

#### JIANGXI LEADERS AT POLITICAL, LEGAL MEETING

OWO41017 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 3 Apr 86

[Excerpts] A provincial conference on public security, judicial, and procuratorial work, which was called by the provincial party committee's Political and Legal Commission, was held in Nanchang from 29 March to 2 April. The conference transmitted the guidelines of the national conference on public security, judicial, and procuratorial work, and studied and mapped out specific tasks for the current work, stressing that it is necessary to further improve socialist democracy and the legal system, and steadfastly uphold the dictatorship of people's democracy in protecting people and punishing crime to achieve a steady improvement in public order, consolidate political stability and unity, and more effectively carry out economic structural reforms, policies of opening to the outside world and invigorating the domestic economy, and building socialist material and spiritual civilization.

Wang Zhaorong, Standing Committee member of the provincial party committee and secretary of its Political and Legal Commission, chaired the conference. He first transmitted the guidelines of the national conference on public security, judicial, and procuratorial work, and mapped out specific arrangements for implementing these guidelines in the light of actual conditions in Jiangxi. Leading comrades of the provincial party committee and the provincial People's Government Liu Fangren, Ni Xiance, and Jiang Zhuping spoke at the conference.

In their speeches, they reviewed the political and economic situations in Jiangxi and, while confirming the achievements in its public security, judicial, and procuratorial work, set our requirements for carrying out public security work in view of the new situation and problems, improving democracy and the legal system, rectifying party style, correcting unhealthy tendencies, dealing telling blows at serious criminal offenses and economic crime, and intensifying the training of public security, judicial, and procuratorial personnel.

During the conference, participants diligently studied the important speeches by central leading comrades at the national conference on public security, judicial, and procuratorial work, especially Comrade Deng Xiaoping's important instruction promoting construction while building up the legal system. They unanimously pointed out that Comrade Deng Xiaoping's instruction is a scientific summary of China's historical experience in constructing socialism, and is of great significance in building the two civilizations, achieving a fundamental improvement in party style and general social conduct, developing socialist democracy, perfecting the socialist legal system, strengthening the dictatorship of people's democracy, and successfully carrying out the modernization drive. It is also the guiding ideology for public security, judicial, and procuratorial work under the new situation.

The conference pointed out: Despite a noticeable improvement in public order, progress in uneven and precarious. At the same time, new problems have arisen in the course of carrying out economic structural reform, opening to the outside world, and invigorating the economy. In particular, economic crime is on the rise; cases of larceny and fraud have increased by big margins; factors in tempting people to commit crime have multiplied; casual offenses and juvenile delinquents have increased; and certain, undesirable social practices have resurfaced. We should keep a sober mind and make ample ideological preparations in dealing with these problems.

Discussing the need to continue the struggle against serious criminal offenses, the conference pointed out: It is necessary to severely punish those gangsters and ring-leaders, jeopardizing public security by seizing weapons to commit armed robbery, murder, assault, arson, and fraud; criminals in major larceny or fraud cases; and those habitual offenders who, though the amount of their theft is small, have repeatedly committed crimes, despite arrest. It is also necessary to mete out severe punishment to chieftains of reactionary, superstitious sects and societies, who have actively committed sabotage activities, and principal culprits of feudal superstitions, such as witches and sorcerers who have committed crimes.

The conference emphatically pointed out: While dealing telling blows at serious criminal offenders, it is necessary to make determined efforts to strike at serious economic crime. The conference held: The struggle to strike at economic crime in the province has been intensified, and breakthrough has been successively achieved in various areas. However, economic crime remains rampant and widespread. The number of major and grave cases has increased. Especially noteworthy are the crimes committed by internal circles of a unit in violation of discipline, the large sum involved, and the resistance against investigation and punishment. In short, we have failed to take firm and effective action against crime. It is necessary to resolutely reverse such trends. In view of the complexity of the struggle against serious economic crime, party committees and governments at all levels should strengthen their leadership, while public security, procuratorial, and judicial departments, and courts at all levels should coordinate efforts and support each other in carrying out the struggle.

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PRC REGIONAL AFFAIRS  
EAST REGION

Attending the conference were members of the provincial party committee's Political and Legal Commission; responsible comrades of the provincial Public Security, Judicial, and Procuratorial Departments; responsible comrades of prefectural, city, county, and district party committees in charge of public security, judicial, and procuratorial work; units of reform and reeducation through labor; units under the provincial people's Armed Police Corps; and other provincial departments concerned, totalling some 930 people.

Wang Baotian and (Wang Taihua), Standing Committee members of the provincial party committee; (Chen Kefeng), Standing Committee member of the provincial Advisory Commission; Zhu Zhihong, secretary of the provincial Discipline Inspection Commission; Zheng Xiaoxian and Liu Bin, vice chairmen of the provincial People's Congress Standing Committee; (Li Ying), president of the provincial Higher People's Court; and Wang Shuheng, chief procurator of the provincial People's Procuratorate, attended the conference.

RUI XINGWEN, OTHERS ATTEND SHANGHAI LAW LECTURE

OW051212 Shanghai City Service in Mandarin 0100 GMT 5 Apr 86

[Text] Over 100 leading cadres of the Shanghai Municipal Party Committee, the Standing Committee of the municipal People's Congress, the Municipal Government, the municipal CPPCC Committee, and the Advisory and Discipline Inspection Commissions of the municipal party committee attended a law lecture for Shanghai's party and government leaders yesterday afternoon.

Sitting in the front row, Rui Xingwen, secretary of the municipal party committee, listened attentively to the lecture given by Chen Fengsheng, vice president of the Huadong Institute of Political Science and Law, on the nature and role of law as well as the history and current situation of China's legal system.

Wu Bangguo, deputy secretary of the municipal party committee, spoke before the lecture began.

He stressed: As leaders and organizers of enforcing laws and regulations, cadres at all levels must take the initiative in studying, implementing and applying laws, and they must do their work strictly according to law. Now the principal leaders of municipal organs have taken the initiative in studying law. It is hoped that, in the course of the popularization of common legal knowledge, their example will be followed by all other cadres. The lectures, totalling eight in all, will be given once a week by leaders and legal experts of Shanghai's judicial departments.

ZHEJIANG'S WANG FANG MEETS PLANT DIRECTOR 3 APR

OW050517 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 4 Apr 86

[Excerpt] At his office on 3 April, Wang Fang, secretary of the Zhejiang Provincial CPC Committee, received (Gu Wei), director of Jiaxing Petroleum Solvent Plant. He praised the Jiaxing City CPC Committee for properly handling the plant's economic contracts.

Comrade Wang Fang listen attentively to a report by (Gu Wei) on the development of the factory, and gladly accepted the plant director's invitation for inspection. At the end of the meeting, Secretary Wang Fang gladly had his picture taken with (Gu Wei).

GUANGDONG OFFICIAL URGES FIGHTING ECONOMIC CRIME

HK081005 Guangzhou KAIFANG in Chinese No 3, 8 Mar 86 pp 2-5

[Article by Wang Zongchun, member of the Standing Committee of provincial CPC Committee and secretary of provincial Discipline Inspection Commission: "Firmly Embrace the Idea of 'Grasping with Two Hands,' Wage Ceaseless Struggle Against Economic Crime"]

[Text] When our province started to implement a special policy and various flexible measures, the CPC Central Committee promptly put forward the guiding principle that we should implement the opening up policy with one hand and crack down on economic crimes with the other. In the "Comments by the CPC Central Committee and the State Council on the Two Reports by the Guangdong Provincial CPC Committee and the Fujian Provincial CPC Committee on the Implementation of a Special Policy and Various Flexible Measures in External Economic Activities," the CPC Central Committee and the State Council clearly point out that "since the development of external economic activities will inevitably lead to an influx of capitalist ideas and bourgeois living styles, it is necessary to make preparations in advance, to strengthen ideological and political work, to adhere to the four cardinal principles, and to prevent and resist the corrosive influence of non-proletarian ideas." Comrade Deng Xiaoping has further elaborated on the principle of "grasping with two hands," saying that "the struggle against economic crimes essentially guarantees that we will hold firm to the socialist road and the four modernizations" and that "if we do not wage this struggle, the four modernizations and the policy of opening the country to the outside world and invigorating the domestic economy will all fail." A review of the province's implementation of a special policy and various flexible measures over the past 6 years or so can adequately show that the principle of "grasping with two hands" put forward by the CPC Central Committee is very correct. So long as we resolutely implement this principle, we can smoothly carry out our reforms, smoothly implement the opening up policy, and smoothly invigorate the domestic economy. Otherwise, all this will be undermined and disrupted.

People should be able to remember that in an early stage of the province's implementation of the special policy and various flexible measures, when we were criticizing the mistake of "taking class struggle as the key link," some comrades' understanding of the issue of class struggle was quite one-sided as a result of our inadequate and superficial understanding of the relationship between the policy of opening the country to the outside world and invigorating the domestic economy on the one hand and the crack-down on economic crimes on the other, and of the central authorities' principle of "grasping with two hands." Particularly in the coastal areas, some party organizations, party members, and cadres were not too seriously on guard against the corrosive influence of moribund capitalist ideas and they did not pay very much attention to the crackdown on serious economic crimes. Consequently, criminal economic activities became widespread and the economic crime rate went up. According to the statistics compiled by the departments concerned, the number of economic crime cases filed in 1981 by the provincial authorities for investigation and prosecution was 16.9 percent greater than that in 1980. In 1982, by starting the struggle against serious economic crimes, we laid bare many criminal economic activities, the number of economic crime cases listed by the provincial authorities for investigation and prosecution went up 10 times, and the number of serious cases went up more than 9 times. Of these, smuggling was so serious at one point that the province and the whole country suffered. This adverse current in the economic sphere thus contaminated people's minds, corroded our cadres, adversely affected the party style, polluted the social climate, caused ideological confusion, disrupted the policy of opening the country to the outside world and invigorating the domestic economy, and brought discredit upon the party's opening up policy.

In early 1982, the CPC Central Committee promptly issued an "urgent circular" on resolutely cracking down on serious criminal activities in the economic sphere. Party organizations and governments at all levels in our province resolutely implemented this "urgent circular" by mobilizing the masses into a furious offensive against crimes in the economic sphere. In 1982, we handled and resolved more than 3,400 economic cases and punished some offenders guilty of serious economic crimes, thus clearing up the confusion and making the situation develop in a healthy direction. In 1982 and 1983, the province created great new successes in its implementation of the policy of opening the country to the outside world and invigorating the domestic economy. In these 2 years, more than \$2,288,000,000 of foreign capital was absorbed by the province and, of this, more than \$685 million was actually used. The total number of projects involving the establishment of Chinese-foreign joint ventures and cooperative ventures and the "three forms of import processing and compensation trade" was more than 19,500 and the total volume of export trade was more than \$4.67 billion. Large quantities of advanced facilities and equipment and much advanced technology were introduced from foreign countries. The province's gross industrial and agricultural output value was more than 41.49 billion yuan in 1982 and more than 45.5 billion yuan in 1983, an all-time high. In these 2 years, the problem of corruption and violation of law and discipline became less serious and the incidence of economic crimes went down significantly. According to statistics, in 1983, the number of economic crime cases filed for investigation and prosecution was less than one-third of the number in 1982. By doing all this, the province laid a solid foundation for its entrance into a new era. By which time, Guangdong would be further opened, its reforms would become even more comprehensive, and its economy would be invigorated.

However, in 1984, some comrades, particularly leading comrades, erroneously thought that since we had already spent 2 years combating serious economic crimes, we could "call off the battle" at that point. In addition, preoccupied with economic construction, they slackened the struggle against economic crimes. Consequently, economic crimes, such as the reselling of imported goods and motor vehicles, the selling and reselling of foreign currencies, the production of fake wine, fake milk powder, and fake fish meal, and so on, flourished again in the same year. And then, the "Hainan automobile reselling case" took place, shaking the whole country and producing grave consequences. During this period, the incidence of economic crimes went up again. In fact, more than 1,000 economic crime cases were connected with the "Hainan automobile reselling case." In addition, involvement in commercial activities was quite common among party and government organs then and various types of "corporations and companies" of different sizes came into existence in a short time. Thanks to all this, many criminals were able to take advantage of the confusion to organize illegal activities. This was another reason for the increase in the number of economic crime cases. One thing characteristic of the economic crimes that took place during the period is their large number and seriousness. Other characteristics include the dirty tricks used and the wide range of departments and people and huge sums of money involved. Such huge sums of money involved in economic swindling cases was rare in the past. For example, in the Liu Haoran swindling case, the culprit signed more than 100 "joint management agreements" and "purchasing and marketing contracts" within 6 months, totaling 7.8 billion yuan, \$417 million, 35 million Japanese yen, and HK\$3.3 million. Liu Haoran swindled an amount of over 19 million yuan paid in advance. The economic criminal activities that ran wild once again interrupted the smooth progress of opening up, reform, and invigoration of the domestic economy; affected the state plan; disrupted the economic order; and caused colossal economic losses to the state. Meanwhile, a number of cadres made mistakes and sank into the quagmire of crimes.

The lessons of the "two ups and downs" have taught us that opening up to the outside world and invigorating the domestic economy should be carried out simultaneously with cracking down on economic crimes, and neither should be overemphasized at the expense of the other. The deeper opening up, reform, and invigoration of the domestic economy develop, the more we should take the building of socialist spiritual civilization seriously and never cease to wage struggles against economic crimes. Whenever we slacken our efforts, opening up, reform, and invigoration of the domestic economy can then be obstructed, go astray, and even harm the building of material and spiritual civilization. Therefore, we should profoundly understand the great significance of "grasping with two hands."

Why is it necessary to stress cracking down on serious economic criminal activities when we are carrying out the policy of opening up to the outside world and invigorating the domestic economy? This is determined by the objective law of class struggle and the objective reality of class struggle during the socialist society. While implementing the policy of opening up to the outside world, bourgeois ideology and the decadent way of life will try to infiltrate our lives through various channels. While doing business with foreign firms, a handful of lawless persons will inevitably offer and accept bribes, engage in smuggling, speculation, and swindling, and use despicable means to carry out illegal activities for the sake of reaping exorbitant profits. Meanwhile, a handful of lawless persons in China will take the advantage of opening up, reform, and invigoration of the domestic economy and wait for an opportunity to carry out illegal activities. Moreover, some weak-willed persons within our revolutionary ranks cannot withstand the sugar-coated bullets of the bourgeoisie in external contacts and various economic activities. Consequently, they fall on their knees for money. Furthermore, our reforms, opening up, and invigoration of the domestic economy are undergoing exploration. Given a lack of experience, the various systems and legislation work are still imperfect. In addition, serious bureaucratism still exists within our ranks. All these have provided the conditions for the offenders to carry out illegal activities.

Fundamentally speaking, economic crime is a reflection of class struggle. It is a social phenomenon that will exist for a long time throughout the entire socialist historical period. The struggle will become extremely acute, particularly when we are implementing the policy of opening up to the outside world and invigorating the domestic economy and marching toward the four modernizations in the new period. Therefore, while we are carrying out the building of socialist material and spiritual civilization, it is essential to regard cracking down on serious economic crime as a long-term task.

With the deep-going development of opening up, reform, and invigoration of the domestic economy, more and more comrades have deepened their understanding of the importance and necessity of cracking down on serious crime in the economic field. They have also enhanced their awareness in the struggle. However, some comrades are still muddle-headed. For example, some comrades fear that the activities of cracking down on economic crime may affect the policy of opening up to the outside world and "suffocate the economy." As a matter of fact, such a view has no theoretical basis, nor does it conform to the objective reality. Just think. If we allow offenders to do whatever they like and fail to vigorously attack serious economic crime -- such as smuggling which was rampant along the coastal areas a few years ago, the reselling of cars and foreign exchange in Hainan, the Liu Haoran swindling case, the embezzler Lin Chenggang from Zhuhai who misappropriated enormous amounts, and Tan Yonghao, former head of Guangzhou's Electronic Industrial Bureau, who wantonly accepted bribes -- will foreign businessmen dare to invest in China without a stable social order and a fine investment environment?

Will they be assured of doing business with us? Will it be possible to invigorate our economy? We can definitely say that it will be impossible. Therefore, the struggle against economic crime will not affect the policy of opening up or "suffocate the economy." Just the opposite, it will be effective guarantee for opening up to the outside world and invigorating the domestic economy.

Moreover, certain leading comrades fear that the struggle to attack economic crime will take up much time and energy, thus affecting economic and vocational work. Therefore, they regard it as a task for the political and legal departments and discipline inspection organs, and are unwilling to get involved in the work. We hold that such an idea and attitude are also wrong. They are the manifestation of lack of understanding of the principle of "grasping with two hands." Comrade Xiaoping exhorted us long ago: "We must employ dual tactics, that is, we must unswervingly pursue the policy of opening up to the outside world and stimulating the economy and, at the same time, wage a resolute struggle against economic crime. There is no question that without such a struggle the overall policy will fail. With it, the policy of opening up to the outside world and stimulating the economy will have a correct orientation." In a recent speech, Comrade Xiaoping once again pointed out emphatically: "We must employ dual tactics in carrying out the four modernizations. A single tactic won't do... We have scored remarkable achievements in economic construction and the situation is gratifying. These are the successes of our country. However, if the general mood continues to deteriorate, the economic successes will be of no significance. If the general mood deteriorates, the economy as a whole will deteriorate. If such a trend is allowed to develop unchecked, the practices of graft, embezzlement, and bribery will run wild." Therefore, we hope that the comrades who are unwilling to concern themselves with the work will profoundly understand Comrade Xiaoping's instructions and earnestly implement the principle of "grasping with two hands." Otherwise, they will make mistakes in orientation.

How should we wage the struggle against serious economic crime? In the practice over the years, various localities in our province have explored and accumulated effective experiences. First, party committees at all levels should firmly acquire the idea of "grasping with two hands." While doing a good job of reform, opening up, and invigorating the economy, we must place the struggle to attack economic crime on the agenda of the party committee. The economic cases of each locality, department, and unit should be regularly studied and analyzed. The problems discovered should be investigated and handled without hesitation. Second, we must have powerful ranks of people to handle cases. The authorities at the provincial, city, and county levels should regard cracking down on economic crime as a regular task, make the office for attacking economic crime a permanent organ, and undertake special responsibility for the work. Meanwhile, they should act in coordination with the legal and political, discipline inspection, customs, auditing, and industrial and commercial organs and departments, and make concerned efforts to deal with the cases. Third, strictly follow party policies and state laws. On the basis of thorough investigations, inner-party disciplinary action and criminal sanctions should be taken accordingly in light of party discipline and state laws. In this respect, we must never be soft-hearted. Fourth, we must combine punishment with education. We must select typical examples from the criminal cases already handled, and analyze and try to find out the cause and root of the crime so as to use vivid negative examples to draw lessons and educate the broad ranks of cadres and masses. Meanwhile, we should use a variety of forms including press, television, radio, video, cinema, and exhibitions to conduct education in ideals, discipline, and the legal system among the broad ranks of cadres and masses, and enhance their awareness in abiding by discipline and law.

Fifth, in accordance with the problems exposed from handling the criminal cases, we should establish and perfect various rules and regulations, strengthen legislation work, and plug up the loopholes whenever they are discovered. We must never give the offenders any advantage to exploit. In a word, so long as the party organizations at all levels attach great importance to the struggle to combat economic crime and make regular efforts to investigate and handle the criminal cases, we will certainly be able to keep economic crime down to a minimum. By doing so, we can guarantee the smooth progress of reform, opening up, and invigoration of the economy in China and ensure that the modernization program will advance in a correct direction.

#### HENAN CONFERENCE ON REFORM OF TITLES ENDS 31 MAR

HK060211 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 2 Apr 86

[Text] The provincial conference on reform of titles of technical or professional posts, which lasted 4 days, concluded on 31 March. Leading comrades, including Qin Kecai and Hu Tingji, attended the conference. At the conclusion of the conference, Comrade Qin Kecai delivered a summing-up speech.

Our province will soon carry out in a planned and systematic way the work of reforming the titles of technical or professional posts. This is an important reform of the system of management of professional or technical personnel, to meet the needs of reform of the economic, scientific, technological, and educational structures. This is a fundamental construction item which has a bearing on socialist modernization. This also shows the concern of the CPC Central Committee for the intellectuals. This reform will be beneficial to overcoming the defect of letting qualified personnel lie idle and wasting qualified personnel which has long existed in the system of management of professional or technical personnel. It will be beneficial to transforming the situation of barring qualified personnel from holding office and breaking the stagnant water. It will promote the rational flow of qualified personnel, change the irrational state of the qualified personnel structure, and gradually establish a system of management of professional or technical personnel which suits the new situation and new tasks.

The conference made specific arrangements for reform of the titles of technical or professional posts in our province and demanded: It is necessary to strengthen organizational leadership and ideological and political work, to strictly act in accordance with the policies, and to prevent interference by unhealthy trends, so that the system of employing professional or technical personnel can be implemented in a planned and systematic way.

#### HENAN ENCOURAGES ORDERING GRAIN BY CONTRACT

HK060225 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 2 Apr 86

[Text] With a view to encouraging peasants to develop grain production, to sell grain, and increase their income, the provincial government has decided to supply some chemical fertilizers of superior quality and diesel oil at a low price to peasants who will conclude grain contracts with the state. The decision is supported by the peasants. At present, many peasants are concluding grain order contracts with the state.

The specific method is that a peasant household which concludes an order contract with the state for 100 jin of wheat, maize, soybean, or rice, will be supplied 7 jin of standard chemical fertilizers and 2 jin of diesel oil at a low price by way of reward.

To encourage peasants to sell more rice of superior quality, the standard of supply by way of reward has been raised. Those who conclude order contracts for 100 jin of rice of superior quality will be supplied 30 jin of standard chemical fertilizers and 6 jin of diesel oil at a low price by way of reward. The diesel oil and chemical fertilizers will be allocated by provincial departments concerned to all places. Peasants can buy the chemical fertilizers and diesel oil from grass-roots supply and marketing cooperatives and units dealing in these materials on presentation of their grain order contracts. Preferential agricultural loans can be issued to the peasant households which concluded such contracts and encounter financial difficulty.

MAO ZHIYONG, CADRES WORK IN HUNAN RURAL AREAS

HK060241 Changsha Hunan Provincial Service in Mandarin 2300 GMT 3 Apr 86

[Excerpts] Over the past 3 months, the leadership organs and leading cadres of the party and government of our province have worked hard to change their leadership style and many of them have gone to the rural forefront to conduct investigation and study and to do practical work for the peasants.

According to incomplete statistics, some 19,000 cadres of the party and government organs of the province, prefectures, and counties have successively gone to rural areas to publicize and implement central document No 1, to help districts and townships carry out party rectification, to carry out plans for getting rich, and to do a good job in spring farming. Since these cadres went to rural areas, they have done practical work for the peasants in a down-to-earth manner.

Mao Zhiyong, secretary of the provincial CPC Committee, went deep into remote areas, including Taojiang, Anhua, Xupu, Xinhuang, and Xiangxi Autonomous Prefecture, to conduct investigation and study and to give guidance to work.

The 1,920 organ cadres at prefectural and county levels of Changde Prefecture who have gone to rural areas have all carried bedding and baggage with them and stayed in villages and peasants' households.

Last year, drought disaster in Lingling Prefecture was serious. The prefecture has been dry with no rain for a long period of time this year. The masses have encountered serious difficulties in their livelihood and spring farming. Deng Youzhi, prefectural CPC Committee secretary, led cadres of departments concerned at the prefectural level to 15 townships, including (Xinpuzi) township in Qiyang County, which have been struck by the disaster most seriously, to conduct investigation and study for half a month. Relief funds of 400,000 yuan and 22 million jin of relief grain were appropriated to resolve the temporary difficulties of the masses in the disaster areas. They also helped the peasants in these places carry out the measures for spring farming.

These cadres who have gone to rural areas have devoted their main energy to the work of helping the poor get rich. This year, the cadres of the prefectures and counties throughout the province have set up some 650 points to help the poor. The majority of other work points have also been set up in poor areas.

SICHUAN UNIVERSITY OVERSEES STUDENT ORGANIZATIONS

OW061806 Beijing Domestic Service in Mandarin 1200 GMT 6 Apr 86

[Text] Not only has Sichuan University enthusiastically supported student organizations, but it has also strengthened its control over them, thus promoting their healthy development in the university. The university now has more than 50 student organizations, which over one-third of the students have joined. In order to mobilize student organizations to help promote moral, intellectual, and physical education among the students, the university's party committee has further improved, since the beginning of 1985, the measures to strengthen control over student organizations, and it has clearly defined the principles governing the activities of student organizations.

The university has also attached importance to the cultivation of the responsible persons of the student organizations. It has stipulated that their positions as responsible persons of the student organizations be included in the students' personal files, that outstanding student cadres be elected from among the cadres of student organizations, and that the university will commend, once a year, advanced student organizations and advanced individuals who conduct various activities for student organizations.

The university has concerned itself over student organizations politically and has supported them economically. In recent years, it has appropriated funds to support the various activities of the student organizations. Students have greatly benefitted in knowledge and in ideology, thanks to the efforts of the university in strengthening its control over student organizations and pointing out the correct direction for the student organizations to carry out their activities.

Not long ago, the university's Society for the Development of Western China invited a responsible person of a research unit in Qinghai to brief students on the situation in that province. Students later expressed their determination to go to Qinghai and Xinjiang where they are most needed as soon as they graduated. The Society of Qualified College Students, a student organization to study how to become qualified students with lofty ideals, moral integrity, high education, and a sense of discipline, helped students link their efforts in analyzing their thinking with their practice in learning from the lofty qualities of the workers, peasants, and soldiers. It has prepared many fine investigation reports to help students achieve progress and to improve educational work in the university.

XIZANG'S DOJE CERING ON DEVELOPMENTS IN WORK

HK030159 Lhasa Xizang Regional Service in Mandarin 1130 GMT 2 Apr 86

[Excerpts] Doje Cering, acting chairman of the regional government, said at the regional conference on planning and financial work that work in Xizang has entered a new period of development in which the spirit of the three central meetings is regarded as the guideline, the series of central instructions on Xizang work are further implemented, leftist influence is thoroughly eliminated, everything is based on reality, all-round reform is carried out, and all relationships are harmonized. We are facing extremely arduous tasks in economic work in this new historic period.

All prefectures, cities, and departments must base their work on local reality, further eliminate leftist influence, straighten out the ideological line, persevere in reform, advance cautiously and steadily, mobilize all positive factors, strive to fulfill the national economic and social development plans, reverse the situation of financial difficulty, and make contributions to developing and invigorating Xizang's following respects:

1. Do everything possible to achieve a bumper harvest in agriculture and animal husbandry and speed up the work of eliminating poverty and enriching the people. We must publicize with great fanfare Central Document No 1 and the policy of keeping two things unchanged for a long time, so as to further ease the masses' fears of change. We should continue to clear the circulation channels in the agricultural and pastoral areas and let the peasant and herdsman masses get on with production, enrich themselves without fear, and boost this year's production. We must bring into full play the role of science and technology work in agriculture and animal husbandry.
  2. Strive to do a good job in reducing deficits, increasing surpluses, raising revenue, and economizing in expenditure. Xizang relies on state financial subsidies for its existence. The finance departments at all levels must regard as this year's central task the work of reducing deficits, increasing surpluses, raising revenue, and economizing in expenditure, and take measures to achieve practical results and gradually change the region's passive situation in financial matters.
- We must continue to crack down hard on serious economic crime. No matter who it is, he must be investigated and dealt with if he is in question.
3. Cut down the scale of capital construction, readjust the investment structure, and strengthen capital construction control. The scale of capital construction has grown excessively in the past 2 years, far exceeding the capability of our capital, materials, and construction force. This is a problem that must evoke serious concern on our part as we formulate and arrange this year's plans. In order to rapidly change the situation of chaotic management and appalling waste in capital construction, and strengthen centralized and unified control over capital construction, the region has established a capital construction control office to practice unified command, coordination, and control.
  4. Persevere in reform and invigorate the enterprises. In carrying out reforms in the rural and pastoral areas, we must seriously implement this year's Central Document No 1. In urban reform, we must continue to get a good grasp of the cardinal link, that of invigorating the enterprises.

Reform is an extremely arduous and complex item of social engineering. We also lack experience. We must therefore be extremely cautious in carrying out reforms. However, we must certainly not retreat, lack boldness for reform, or even go back to the old road the moment we hear certain comments or encounter difficulties and obstacles. It is permitted to undergo a process in carrying out reform, but it is not permitted to halt without carrying out reforms for long periods. If there is pressure on the enterprises, we should adopt certain measures to protect and support them, but we must not protect the backward. The enterprises should strive for existence and for development in the course of reform.

5. Persevere in opening up to the world and vigorously develop tourism and external economic relations and trade. We must fully understand the status and role of tourism in Xizang's economic development, put this work on our agendas, and get a good grasp of it.

In order to invigorate Xizang's economy, we must further emancipate our minds, broaden our vision, and vigorously develop external economic relations and trade. At present we should seriously implement the relevant contents of letters of intent signed with foreign businessmen, and also set to work to draw up local laws and regulations, attract foreign investment, and import advanced technology.

A very urgent issue at present is that of solving the problem of bringing into full play the initiative of all sectors while stressing unity in external economic relations. We must also do everything possible to organize sources of goods.

6. Strengthen and improve leadership over economic work. The leading organs and cadres must eliminate bureaucratism, step up investigation and study, and keep in close touch with reality.

#### YUNNAN HOLDS POLITICAL-LEGAL CONFERENCE ON CRIME

HK041016 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 2 Apr 86

[Excerpts] A provincial conference on political and legal work was held in Kunming from 28 March to 2 April. The conference conveyed and acted in the spirit of the national conference on political and legal work. It also planned this year's work.

The conference maintained that after more than 2 years of seriously confronting criminals, the province has fundamentally changed for the better in terms of social order. People now feel more secure than before. The number of criminal cases which occurred during the 2 years beginning August 1983, when the province started seriously cracking down on crime, was 20.6 percent less than in the previous 2-year period. The number of cases involving social disorder was reduced by 24.2 percent.

Despite these gains, there are still many problems. In particular, there has been an increase in the number of economic criminal cases and cases of larceny. Some evil phenomena in our society remain active.

The conference concluded that in order to achieve a further improvement in social order, we must continue to seriously deal with serious crimes. At the same time, we must be determined to carry out such work in an in-depth, continuous manner. While cracking down on major cases, we must be bold in tackling tough issues and thoroughly investigate all cases, no matter which organization or who is involved. We must uphold the principle that all are equal before the law. We must strictly enforce the law and prosecute those who violate the law. When punishing criminals, we must not replace criminal sanctions with fines, replace legal punishment with party and organization disciplinary measures, handle economic crimes in the same way we deal with irregularities or regard crimes of malfeasance as those of bureaucratism. When handling economic crimes, we must focus on finding facts and taking a legal viewpoint. We must handle them properly, showing determination and care.

SHAANXI RIBAO ON REFORM, PARTY STYLE ISSUES

HK090223 Xian Shaanxi Provincial Service in Mandarin 0200 GMT 9 Apr 86

[Text] Today's SHAANXI RIBAO carries a commentator's article entitled "Correctly Understand the Relationship Between Reform and Party Style." The article says: When certain cadres engage in malpractices in the course of opening up to the world and invigorating the domestic economy, some people hold that this is a consequence of reform. This is a very big misunderstanding.

Practice in rural and urban reforms since the 3d Plenary Session of the 11th CPC Central Committee has vividly proven that carrying out reform is beneficial for straightening out party style, and the new unhealthy trends are absolutely not the inevitable products of reform.

Of course, the actions of a few egoists in pursuing private interests under the banner of reform are not unconnected to reform. It is precisely for this reason that we must block all loopholes to the maximum extent, so as to consolidate the fruits of reform.

The article says: We must persevere in reform and correct unhealthy trends. This requires that we seriously distinguish between certain shortcomings that occur in the course of genuine pursuit of reform on the one hand and pursuit of private interests by taking advantage of loopholes in reform on the other. We must succeed in both correcting malpractices and protecting reform.

XINJIANG CIRCULAR ON AGRICULTURE, LIVESTOCK

HK041018 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 2 Apr 86

[Excerpts] On 31 March, the regional CPC Committee and regional People's Government issued an urgent circular, demanding that all places do a good job in agricultural and livestock production this spring.

The circular first stressed that it is necessary to really implement policies and plans for production. The circular pointed out that the drought situation in our region this year is serious. It is essential to continuously step up the work of combating drought. Funds for combating drought must be spent well and must not be used for other purposes. While doing a good job of combating drought, we must also pay attention to antiflood efforts.

Leaders at all levels in the pastoral areas must do a thorough job of personally inspecting tents, sheds, forage grass, and fodder and make preparations to counter livestock diseases. They must also pay attention to weather conditions, understand the situation, and discover problems, and promptly solve them so as to guarantee that livestock will live safely through spring.

The circular also stressed that all places must seriously fulfill or overfulfill their quotas for afforestation this spring. All places must take this opportunity to mobilize people to fulfill the annual quota for planting trees and growing grass.

The regional CPC Committee and People's Government hoped that all departments concerned and prefectural and county leadership organs in the region would vigorously take action, make concerted efforts, and contribute toward agricultural and livestock production this year in order to strive for the 9th year of a bumper harvest in our region.

XINJIANG ISSUES REGULATIONS ON PEASANTS' BURDENS

HK060201 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 1 Apr 86

[Excerpt] In order to act better in the spirit of instructions of the CPC Central Committee and the State Council on banning the practice of arbitrarily apportioning and levying charges on peasants, and to reduce the economic burdens of peasants and herdsmen, the regional people's government has, in connection with the local conditions, recently formulated 10 supplementary regulations. Generally speaking, they are:

1. The rational economic burdens of peasants and herdsmen should be tax delivery, retained profit of the collectives, and charges for centralized arrangement services. Tax delivery refers to the agricultural tax and other taxes stipulated by the State Council and the regional government. Whenever a locality runs an undertaking, it must fix its charges on an annual basis and must not change the charges during the period. When working for their collective undertakings, each male peasant and herdsman should work 20 to 40 days per year, while each female laborer should work 15 to 30 days per year. Disabled armymen of class two are exempt from this kind of labor.
2. For workers who are entitled to receive a fixed amount of public or per-diem subsidies, the maximum number of administrative workers receiving credit work points should be four and that of research workers receiving credit work points should be three. The subsidies should be paid out of the management charges retained by the collective.
3. When raising funds among peasants and herdsmen for running a project, the localities concerned should act in accordance with their capabilities. They should follow the principle of volunteerism; no one is allowed to act by compulsion.
4. When providing means of production and living, the commercial, material supply, and supply and marketing departments must observe the state's policies toward pricing. No one is allowed to arbitrarily hike prices. The water, power, transport and agricultural machinery departments must levy charges according to those fixed by the upper authorities.
5. No department or unit is allowed to apportion expenses to peasants and herdsmen, nor are they allowed to issue any circular on increasing charges.
6. All charges and fines must be based on the regulations promulgated by the state and the documents issued by the region's governments at and above county-level.
7. Funds collected by a unit at a certain level must be utilized by that unit at that level. No department or unit at the upper level is allowed to transfer the funds for its own use.
8. All enterprises and institutions at county and town levels must do well in providing services before, during, and after production. Their services with charges should be constant and they must not seek staggering profits.
9. With the exception of delivering taxes in accordance with the law, paying management fees to the management departments concerned at the upper level and paying retained profits to the collective, the township enterprises are exempt from apportioned expenses and charges. No department is allowed to transfer any assets from the enterprises.
10. Whenever previously promulgated regulations contradict with these regulations, the latter shall prevail.

WANG ENMAO EXPRESSES DESIRE TO STAY IN XINJIANG

HK041556 Beijing ZHONGGUO XINWEN SHE in Chinese 0302 GMT 4 Apr 86

[By reporter Liu Zhaoyi: "There is Green Fragrant Grass All Over Our Land -- an interview with Wang Enmao, who has devoted himself to economic construction in Xinjiang"]

[Text] Beijing, 4 Apr (ZHONGGUO XINWEN SHE) -- Wang Enmao, who was in charge of Xinjiang for more than 20 years, is a delegate to the NPC and has recently been elected a member to the National CPPCC. Beijing is now buzzing with the rumors about Wang Enmao transferring to another post. When meeting with him, this reporter raised the question that he was transferred, would he remain in Xinjiang or return to Beijing.

In reply, the 73-year-old general said with deep feeling: "I myself will no doubt accept any job that the party assigns to me. However, in terms of my own wishes, I hope I will stay in Xinjiang. I love the people of all nationalities in Xinjiang as well as all the rivers, mountains, grass, and trees there. I will not only spend my remaining years in Xinjiang but will also eternally sleep at the foot of the Tian Shan."

Wang Enmao's feelings toward Xinjiang move people deeply. Wang Enmao, born in Yorgxin County, Jiangxi Province, joined the Chinese Workers' and Peasants' Red Army when he was 15 years old. With the Army, he then traversed 11 provinces covering 12,500 kilometers and finally reached northern Shaanxi. He was an outstanding fighter in the 359th Brigade led by Wang Zhen, fighting successfully in different parts north and south of the Chang Jiang. In 1949 the brigade marched into Xinjiang and he was appointed commander of the South Xinjiang military area. In 1952 Wang Zhen was transferred to a post in Beijing and Wang Enmao was appointed to take over his work of being in charge of Xinjiang. In 1969 he was transferred from Xinjiang and was again assigned to take charge of work in Xinjiang in October 1981. He now holds the post of chairman of the Xinjiang CPC Advisory Committee after withdrawing from the "Front Line."

Xinjiang covers one-sixth of the area of our country. Thanks to its vast land, fertile grassland and abundant resources such as oil, coal, and nonferrous metals, Xinjiang has been built into one of China's major economic development bases. To spur economic construction in Xinjiang, Wang Enmao presented the general idea that "irrigation is the lifeblood of agriculture, transportation is the artery, and qualified personnel the key link." Xinjiang's total industrial and agricultural output value in 1985 reached 12.4 billion yuan, grain output was 10 billion jin, and the amount of livestock on hand was more than 30 million head. All these totals broke the all-time records.

Referring to these achievements, Wang Enmao pointed out: There are 13 nationalities in Xinjiang. The unity of these nationalities must be strengthened. Otherwise it will be impossible to build Xinjiang. He also said: He was worked in Xinjiang for many years. Experience says that we must treat our fraternal nationalities with due sincerity, this is the key to strengthening the unity of the minorities. His proposal for naming May as "National Unity Month" has been approved by the Xinjiang Regional People's Congress. He believes that only when the unity of all our nationalities is strengthened will the government be able to function well and the people enjoy peace.

Wang Enmao pointed out: Xinjiang badly needs qualified personnel from other parts of the country. He also told this reporter: "In terms of personal considerations, I am not willing to leave Xinjiang because my father died in Xinjiang in 1966 and was buried there. Furthermore, one of my sons died an unnatural death during the Cultural Revolution, and he has been buried beside his grandfather."

QIAO SHI, SONG JIAN REPORTEDLY NOMINATED FOR POSTS

HK081052 Hong Kong WEN WEI PO in Chinese 5 Apr 86 p 1

[Report by WEN WEI PO reporters group: "NPC Presidium Discussed Personnel Affairs Yesterday, Nominated Qiao Shi as Vice Premier and Song Jian as State Councillor" -- capitalized words published in boldface]

[Text] Beijing 4 Apr (WEN WEI PO) -- The Presidium of the Fourth Session of the Sixth NPC held its second meeting this morning to discuss State Council Premier Zhao Ziyang's proposal on appointing Qiao Shi as vice premier and Song Jian as state councillor. It is said that after discussion the presidium consented to the proposal and decided to deliver it to NPC deputies for discussion, putting it to a vote at a plenary meeting of the session.

This morning, the Presidium also discussed issues related to the by-election of a vice chairman of the NPC Standing Committee. We learnt that Chu Tunan was nominated as a candidate to the post; this would also be put to a vote at the plenary meeting of the session.

Following are brief biographies of Qiao Shi and Song Jian:

QIAO SHI (member of the CPC Central Committee Political Bureau and Secretariat): Born in 1924 in Dinghai County, Zhejiang Province, and with a college education, he joined the CPC in 1940. After 1940, he was the secretary of the party branch in the Shanghai Middle School and then secretary of the General CPC Branch of the school. Later he became deputy secretary of the new urban area party committee in Shanghai. After 1949, he was secretary of the Hangzhou City youth league committee, deputy director of United Front Work Department of the youth work committee of the east China bureau of the CPC Central Committee, director of the capital construction technology office at the Anshan Iron and Steel Complex, director of the design and research institute at the Jiuquan iron and steel company, and then a bureau chief, a deputy director, and director of the International Liaison Department of the CPC Central Committee. After 1983, he was director of the General Office of the CPC Central Committee, director of the Organization Department of the CPC Central Committee, and then secretary of the central Political and Legal Commission. He was elected a member of the 12th CPC Central Committee and alternate member of the CPC Central Committee Secretariat.

SONG JIAN (minister in charge of the State Science and Technology Commission): A native of Rongcheng, Shandong, who took a postgraduate course in the Soviet Union, he was a student of the well-known scientist Qian Xuesen and one of the initiators in popularizing systems engineering in China. He was chief of the research office of the second branch of the fifth research institute of the Ministry of National Defense, deputy director of the second research institute of, chief engineer of, and then minister of the seventh Ministry of Machine-Building Industry, and then minister of Aeronautics. Song Jian is now concurrently vice president of the Society of Systems Engineering and president of the Society of Automation. He is an alternate member of the 12th CPC Central Committee.

XIANG NAN CHALLENGES DRAFT LAW ON FOREIGN FIRMSHK090403 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English  
9 Apr 86 p 1

[From Terry Cheng in Beijing]

[Text] An influential former regional official has issued a rare challenge to China's State Council over a draft law on wholly foreign-owned enterprises.

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Mr Xiang Nan, the former party secretary in Fujian, opposes the State Council's position that this legislation should be tougher than laws governing joint ventures. In talks among the Fujian delegation attending the National People's Congress, Mr Xiang strongly argued the law should be "more relaxed" to encourage foreign investment. And he warned that if the basic principles governing the draft law were not changed, investors would quit China. He urged delegates to the NPC not to hide their views on this important issue.

Mr Xiang said the law should have been enacted several years earlier, but it still wasn't too late. To back his controversial views, Mr Xiang quoted the experiences of Singapore, which he visited before assuming his former party post in Fujian. Singapore has always adopted a liberal attitude towards foreign investment, especially by Third World standards.

And although Mr Xiang is now officially on the sidelines, he is a close confidante of General Secretary Hu Yaobang, and is known to be on speaking terms with paramount leader Deng Xiaoping. In an unusual difference of opinion before Hong Kong reporters, Mr Xiang said he disagreed with Mr Zheng Tuobin, minister of Foreign Economic Relations and Trade, who on behalf of the State Council declared the position on the law concerning wholly foreign-owned enterprises. In a report to the NPC's full session last week, Mr Zheng said because these enterprises lacked Chinese participation, they should be subjected to stricter rules than those governing joint ventures. This included the requirement that wholly foreign-owned ventures use advanced technology and equipment and all or most of their products go for export.

But Mr Xiang took the opposite line, arguing that wholly foreign-owned enterprises offered China many advantages. Before the economic reforms, China used to buy foreign technology and equipment to develop its own industrial base without the presence of overseas companies. This philosophy was adopted after the communist takeover in 1949 as China attempted to prevent its key industries being controlled by outside interests. But China could not make efficient use of the technology and equipment to manufacture products which meet acceptable standards.

Now China has turned to joint ventures with other countries. In this way, foreign capital, technology and managerial expertise are being introduced to the country. But Mr Xiang said China often lacks funds to finance the joint ventures and overseas investors find red tape difficult to cut. He listed six advantages of wholly foreign-owned enterprises:

- Foreign investors provide all funds.
- Foreign investors introduce advanced technology because they own the project.
- Foreign investors transfer skills to local workers.
- Jobs are created.
- Taxes are generated.
- China does not have to tackle the problem of absorbing technology.

#### FORMER HEALTH MINISTER ON DENG XIAOPING'S HEALTH

HK090400 Hong Kong TA KUNG PAO in Chinese 9 Apr 86 p 1

["Special Dispatch" from Beijing by reporter Kung Shuang-yin: "Former Minister of Public Health Qian Xinzong Says Deng Xiaoping Is in Good Health"]

[Text] Beijing, 8 Apr -- Former Minister of Public Health Qian Xinzong said today that Deng Xiaoping is in very good health and has never been ill, except on one occasion when he suffered from a duodenal ulcer and later recovered.

This was disclosed by Qian Xinzong at this morning's group meeting of NPC deputies. Qian Xinzong said: Since 1938, I have been working with Deng Xiaoping. He has never been ill, except that on one occasion he suffered from a duodenal ulcer and later recovered. After the founding of new China, I held the post of minister of public health for more than 20 years, and during this period, Deng Xiaoping never fell ill. He only had light colds, at the most.

#### PRC VIEWS ON NUCLEAR PLANT IMPORTS EXAMINED

HK060538 Hong Kong SOUTH CHINA MORNING POST in English 6 Apr 86 p 9

[By Jasper Becker in Beijing]

[Text] The perils of doing business with China were brought home again this week with the admission that the country no longer wants to import multi-billion dollar nuclear plants. After five years of protracted negotiations and strong domestic opposition, President Reagan saw his Sino-American nuclear co-operation agreement ratified last December. At last, contract starved American companies could enjoy the fallout -- a market it was repeatedly said was worth up to US\$25 million (about \$195 million). The initialling of the agreement was one of the triumphs of President Reagan's historic visit to China in 1984. His administration then lobbied intensively to win congressional approval. When congress held it up, China described the issue as a major impediment to the development of Sino-American relations.

The dream market now turns out to be rather smaller, if it exists at all. As if to add insult to injury, Vice-Premier Li Peng announced this week that China plans to send study groups to the Soviet Union with a view to future nuclear co-operation. Mr Li, who trained as an electrical engineer at the Moscow Power Institute and is in charge of China's energy policy, must be well aware of the irony of these developments. One of the issues which triggered off the Sino-Soviet split at the end of the 1950's was Moscow's refusal to transfer the technology to enable China to make its own atomic bomb. At considerable cost, China was obliged to join the world's five recognised nuclear powers under its own steam. Mr Li must also remember that, and two years ago the Soviets reportedly offered their nuclear power technology "unconditionally". It is believed Chinese scientists toured Soviet plants but were unimpressed with what they saw. Since 1978, Deng Xiaoping has directed China's nuclear industry to turn from its hitherto almost exclusively military activities towards solving energy shortage on the industrial east coast.

China claims to have an all-round capability in the various nuclear processes and to have built 10 working reactors. But in order to produce the power quickly enough, the technology was to be imported. In 1978, China began negotiating with France to buy two nuclear reactors for Daya Bay. President Valery Giscard d'Estaing himself went to Beijing to try and firm the contract. The over-ambitious plans were abandoned during the financial crisis of 1980 when dozens of other large deals were suddenly dropped. But in August 1982, General Secretary Hu Yaobang was back again, talking of a nuclear programme to build a capacity of 10,000 megawatts.

China, he said, intended to "import stations of several hundred thousand, even two to three million kilowatts". Chinese officials said they wanted access to the best nuclear technology around, which they believed the United States possessed. The French nuclear industry is based on designs acquired from Westinghouse.

An agreement with the United States became a key issue in Sino-American relations. China, an outlaw nuclear power, refused to sign the international treaty on nuclear proliferation although it eventually joined the International Atomic Energy Association.

Under President Carter's 1978 Nuclear Non-Proliferation Act, countries which wish to obtain U.S. technology are required to give additional non-proliferation guarantees. China declined to sign the standard agreement that 26 other countries had and doubts were raised over its good faith. In a bid to turn congressional votes against China, Senator Alan Cranston last year repeated familiar charges that China is helping Brazil, Argentina, Pakistan, South Africa and Iran -- five countries which he claimed have the most dangerous nuclear programmes. The Reagan administration has "systematically withheld, suppressed and covered up information known virtually throughout the executive branch" about Chinese violations of non-proliferation guarantees, he asserted. His allegations, based on Pentagon intelligence reports, were echoed in part by other countries such as India. In the end, China's guarantees took the unusual form of an after-dinner toast by Premier Zhao Ziyang at a banquet in Washington early in 1984.

During President Reagan's visit, Premier Zhao described the agreement as "a solution which conforms to China's sovereignty as well as to the laws of the United States". President Reagan stressed it "would create broad opportunities for American firms to participate in selling nuclear equipment to China." When the agreement was held up in Congress, China repeatedly dangled the carrot, saying it planned to build three or four nuclear plants during the Seventh Five-Year Plan (1986-90).

But on Thursday, Mr Li said: "I don't think there will be an ambitious plan for the construction of nuclear plants." The target of 10,000 megawatts of nuclear capacity by the year 2000 was "just something that had cropped up in discussions, there had never been a policy decision", he said. China no longer intended importing nuclear plans wholesale but would rely on the domestic industry, he explained. Yet, on January 25, 1985, Vice-Minister of Nuclear Industry Zho Ping categorically said: "Nuclear plants to be built through to the end of this century will have a combined generating capacity of 10 million megawatts." According to statements last May by other nuclear officials such as Jiang Shengjie, president of the Chinese Nuclear Society, China would, by 1990, build nuclear power stations at Daya Bay, Qinshan (a small Chinese-designed reactor), Sunan, Jinshan near Shanghai and in Liaoning Province.

Until a few months ago, West Germany's Kraftwerk Union was still confident of winning a contract to supply two nuclear reactors to Sunan. Neither this nor any other plants in now planned. Qinshan may be expanded, though.

The sudden reversal of China's policy is believed to be the result of its foreign exchange shortage. Quite sensibly, China has decided that a poor, developing country cannot afford to spend a huge proportion of its export earnings on expensive foreign technology which many Western countries have found too costly. By scaling down its programme, China has broken no agreements and is entitled to search for the best deal among the countries that are prepared to offer it help. Yet the whole saga must undermine the credibility of Chinese promises and underline the credulity of the Reagan administration towards China. The unstated tit for tat was not forthcoming. America's China syndrome is not a nuclear disaster -- but a dazzling illusion of billion-dollar contracts.

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